

**ENLARGED OGDENSBURG  
CITY SCHOOL DISTRICT**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

**JUNE 30, 2020**

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## INDEPENDENT AUDITOR'S REPORT

Board of Education  
Enlarged Ogdensburg City School District  
Ogdensburg, New York

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Enlarged Ogdensburg City School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Enlarged Ogdensburg City School District, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 18 to the financial statements, the District changed accounting principles in regards to the recording of bond premiums. Our opinion is not modified with respect to that matter.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and the supplemental schedules on pages 59 through 63, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

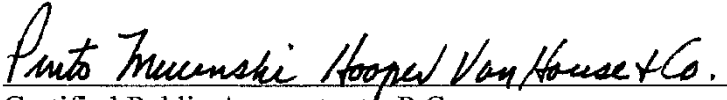
### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Enlarged Ogdensburg City School District's basic financial statements. The supplemental schedules on pages 64 through 66 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards on page 67 is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The supplemental schedules on pages 64 through 66 and the schedule of expenditures of federal awards on page 67 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules on pages 64 through 66, and the schedule of expenditures of federal awards on page 67 are fairly stated in all material respects in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2020, on our consideration of the Enlarged Ogdensburg City School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Enlarged Ogdensburg City School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Enlarged Ogdensburg City School District's internal control over financial reporting and compliance.

  
Certified Public Accountants, P.C.

October 19, 2020

## **ENLARGED OGDENSBURG CITY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR YEAR ENDED JUNE 30, 2020**

The following narrative provides an overview and analysis of the financial activities of the Enlarged Ogdensburg City School District (OCSD) for the fiscal year ended June 30, 2020, and is provided by management to the readers of the District's financial statements. The following is a summary of the entity's financial activities based on currently known facts, decisions, or conditions. It is based on both the government-wide and fund-based financial statements. A comparative analysis of government-wide data between June 30, 2019 and June 30, 2020 is presented. Management encourages readers to consider the information presented here in conjunction with the information provided in the financial statements prepared by the independent auditors.

The District is formed, pursuant to New York State Education Law, and offers a public education to its enrollees based on a New York State Regents Track and/or Local Track Program established using Minimum State Standards. Grade levels offered are UPK through 12, and the curriculum taught is designed to lead to a High School Diploma upon successful completion.

This District is located in northern New York State along the St. Lawrence River. The District encompasses approximately twelve square miles of land area and has a current estimated population of 13,700. This District includes the City of Ogdensburg and parts of the Towns of Lisbon and Oswegatchie. Major highways in and around the District include Routes #37 and #12, which connect the District with U. S. Interstate 81, a major New York State Expressway.

The Board of Education is the policy-making body of the District and consists of nine members with overlapping five-year terms so that as nearly as possible an equal number is elected to the Board each year. Each Board member must be a qualified voter of the District. The Board members select the President and the Vice President. The administrative officers of the District implement the policies of the Board of Education and supervise the operation of the school system.

The Ogdensburg City School District accommodates both regular and special education students. There are two elementary buildings and one building housing grades 7-12. The District's staff is committed to assisting each one of its students in their quest to achieve their individual potential to attain and master their academic standards, while making every effort to provide the best education at an affordable price.

### **The mission of the Ogdensburg City School District is:**

- To encourage and guide all students to reach their intellectual, social, emotional, creative and physical potential.
- To provide opportunities for applying learned knowledge.
- To provide an education that will allow the students to acquire the skills, knowledge and positive attitudes needed for employment and effective citizenship.
- To encourage students to pursue individual interests.
- To provide a safe, nurturing, interactive environment.
- To exercise fiduciary responsibility.
- To directly serve the community.

One of the unique aspects of this District's operation is the high degree of student, parent, community, and staff representation in planning and decision-making. This involvement assures that the educational programs are developed to meet the specific needs of the students while maintaining a cost structure consistent with taxpayer wishes.

### **FINANCIAL HIGHLIGHTS**

- The District's net position decreased \$ 9,276,351 which represents an 11.4% decrease from June 30, 2019.
- General Fund revenues accounted for \$ 42,225,117 in revenue, or \$ 580,758 more than fiscal year 2018-2019 revenues. Program specific revenues in the form of grants and contributions accounted for \$ 3,190,036 or about \$ 943,481 more than fiscal year 2018-2019 revenues.
- Enrollment decreased by 52 pupils from the 2018-2019 school year compared to the 2019-2020 school year. The District has experienced UPK-12 enrollments of 1,691 and 1,639 respectively, for 2018-2019 and 2019-2020.
- The District had \$ 38,953,298 expenses related to General Fund activities, of which \$ 10,741,537 of these expenses were offset by real property tax items. General Fund revenues of \$ 31,483,580 provided for the remaining costs of these programs.
- The District's long-term liabilities decreased overall by \$ 42,620,781 primarily due to the decrease in the Other Post Employment Benefit liability of \$ 40,651,341. The District's serial bond debt decreased by \$ 3,632,930 during the fiscal year.
- The General Fund Balance is \$ 8,556,523 as of June 30, 2020 compared to \$ 5,049,466 at June 30, 2019. The fund balances are shown as four categories on page 17. The Assigned Fund Balance of \$ 4,456,425 is the amount assigned for next year's budget. Committed Fund Balance for encumbrances carried forward is \$ 637. The Unassigned Fund Balance is \$ 1,888,000. This represents 4% of next year's budget. School districts are allowed a 4% Unassigned Fund Balance in accordance with education law.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements:** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, using accounting methods similar to a private-sector business. These statements provide both short-term and long-term information about the District's overall financial status.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for the current year regardless of when cash is received or paid. Therefore, some items will have affect on cash flows in future fiscal periods.

The government-wide financial statements outline functions of the District that are principally supported by component district revenues (governmental activities). The governmental activities of the District include regular and special instruction, support services, operation and maintenance of plant, technology acquisitions, and operation of non-instructional services. To assess the District's overall health, you need to consider additional nonfinancial factors such as changes in the component district's property tax base, New York State's financial ability to increase state aid to schools and the condition of school buildings and other facilities.

**Fund financial statements:** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds are accounting devices the District also uses to keep track of specific sources of funding and spending on particular programs (i.e. The District establishes specific funds to control and to manage money for particular purposes such as repaying its long-term debts or to show that it is properly using certain revenues like Federal grants). All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

- ***Governmental Funds:*** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. Most of the District's basic services are included in governmental funds,



which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

- **Fiduciary Funds:** Fiduciary funds are used to account for resources held for the benefit of parties outside the District. The District is the trustee, or fiduciary, for assets that belong to others, such as scholarship funds. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs.

**Notes to the financial statements:** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information:** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund as required supplementary information.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The District's liabilities and deferred inflows exceeded the assets and deferred outflows by \$ 77,087,405 as of June 30, 2020.

By far the largest portion of the District's net position reflects its investment in capital assets (i.e., land and site improvements, buildings and fixtures, vehicles, furniture and equipment; less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The District's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following table presents a summary of the District's net position for the fiscal years ending June 30, 2019 and June 30, 2020 respectively.

	(Restated) June 30, 2019 <u>Amount</u>	June 30, 2020 <u>Amount</u>
Current Assets	\$ 13,393,906	\$ 16,503,166
Capital assets, net	<u>80,276,542</u>	<u>78,540,580</u>
<b>Total Assets</b>	<b><u>93,670,448</u></b>	<b><u>95,043,746</u></b>
 <b>Deferred Outflow of Resources</b>	 14,299,396	 13,296,830
 Current liabilities	 4,084,048	 5,284,726
Long-term debt outstanding	<u>162,970,031</u>	<u>120,349,250</u>
<b>Total Liabilities</b>	<b><u>167,054,079</u></b>	<b><u>125,633,976</u></b>
 <b>Deferred Inflow of Resources</b>	 27,702,451	 59,794,005
Deferred Revenue		
 <b>Net Position:</b>		
Invested in capital assets, net of related debt	36,296,542	37,770,580
Restricted	3,815,761	4,378,454
Unrestricted	<u>(126,898,989)</u>	<u>(119,236,439)</u>
<b>Total Net Position</b>	<b><u>(\$ 86,786,686)</u></b>	<b><u>(\$ 77,087,405)</u></b>

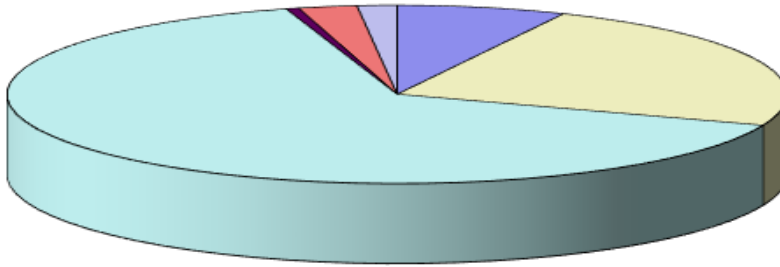
The following schedule summarizes the changes in the District's net position. The complete Statement of Activities can be found in the District's basic financial statements.

### Condensed Statement of Activities

	<u>June 30, 2019</u>	<u>June 30, 2020</u>
	<u>Amount</u>	<u>Amount</u>
<b>Revenues:</b>		
Program revenues:		
Charges for Services	\$ 1,210,064	\$ 976,636
Operating Grants	2,246,555	2,453,256
General revenues:		
Real Property Taxes	10,537,575	10,741,537
State & Federal Aid	28,753,159	30,454,630
Interest and Investment Earnings	241,956	241,110
Miscellaneous	1,231,111	1,095,543
<b>Total Revenues</b>	<u>\$ 44,220,420</u>	<u>\$ 45,962,712</u>
<b>Expenses:</b>		
General Support	\$ 4,087,300	\$ 5,230,281
Instruction	15,414,899	25,497,024
Pupil Transportation	977,260	783,725
Community Services	20,396	62,005
Debt Service - Interest	1,634,321	1,411,174
School Food Service Program	152,273	526,691
Depreciation - Unallocated	2,691,413	2,752,531
<b>Total Expenses</b>	<u>\$ 24,977,862</u>	<u>\$ 36,263,431</u>
<b>Increase/(Decrease) in Net Position</b>	<u>\$ 19,242,558</u>	<u>\$ 9,699,281</u>

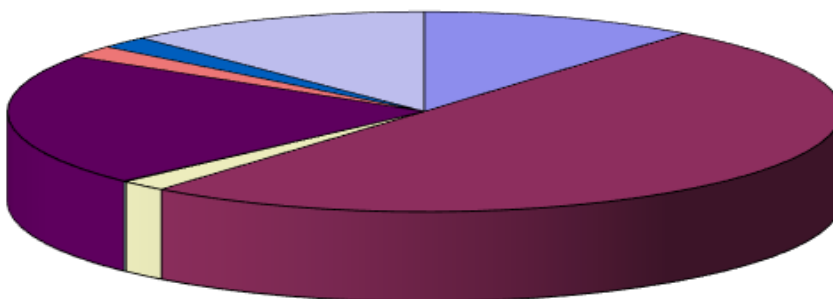
- The cost of all governmental activities this year was \$ 42,563,793.
- Federal and State governments and charges for services subsidized certain programs with grants and contributions and other local revenues of \$ 3,190,036.
- The cost of governmental activities was financed by general revenues, which are primarily made up of \$ 32,596,585 in State and Federal Aid funding.

## Revenue 6/30/20



- State & Federal Aid
- General revenues:
- Real Property Taxes
- State & Federal Aid
- Interest and Investment Earnings
- Miscellaneous
- Proceeds from Debt
- Rental Income

## Expenses 6/30/20



- General Support
- Instruction
- Pupil Transportation
- Community Services
- Employee Benefits
- Other Expenses
- Capital Outlay
- Debt Service

## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds:** The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds. As the District completed the fiscal year, its governmental funds reported a combined fund balance of \$10,772,334 an increase of \$3,087,619.

The Fund Balance is broken down into four categories (page 17).

Non Spendable - \$ 78,614 (School Lunch) for Inventory

Restricted - \$ 425,168 (General Fund) for Unemployment Benefits  
Restricted - \$ 965,595 (General Fund) for ERS & TRS Retirement Benefits  
Restricted - \$ 505,582 (General Fund) for Tax Certiorari Claims  
Restricted - \$ 290,577 (General Fund) for Employee Benefits  
Restricted - \$ 2,166,993 (Debt Service) for Debt Service  
Restricted - \$ 24,539 (General Fund) for Future Energy Costs

Assigned - \$ 637 (General Fund) for Encumbrances  
Assigned - \$ 4,456,425 (General Fund) - Appropriated for next year's budget

Unassigned - \$ (6,834) (Capital Projects) Unassigned Fund Balance  
Unassigned - \$1,888,000 (General Fund) Unassigned Fund Balance

The General Fund is the principal operating fund of the District. The actual revenues with operating transfers in the General Fund exceeded expenditures by \$ 3,507,057 and so the General Fund's fund balance increased by \$ 3,507,057. The School Lunch Fund expenditures exceeded revenues by \$ 74,424. The Capital Project Fund expenditures exceeded revenues by \$ 3,337 in the 2019-2020 school year.

## BUDGETARY HIGHLIGHTS

State Aid and Federal funds for the 2019-2020 school year increased by \$ 1,596,871 from the 2018-2019 school year most of which was Basic and Excess Cost State Aid.

A schedule showing the original and final budget amounts compared to the District's actual financial activity for the General Fund is provided in this report on page 59 and 60 as required supplementary information.

The original Pupil Transportation budget was increased by \$ 431,326 due to increased contract costs and additional costs no longer included within the contracts. Actual Pupil Transportation costs ended the year with significant savings due to the effects of Covid-19 and the consolidation of transportation runs.

Actual employee benefits expense experienced significant savings as a result of switching health insurance carriers.

Actual Special Education expenses were lower than budget due to reduced program costs and conservative budgeting techniques.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

**Capital Assets:** As of June 30, 2020, the District has invested \$ 78,540,580 in capital assets, net of accumulated depreciation, including school buildings, site improvements, fixtures, vehicles, and office / computer / shop equipment. Total depreciation expense for the year was \$ 2,752,531.

### Fixed Assets (000)

The increase in fixed assets is \$1,016 thousand. That is largely due to the new project expenses for equipment using Smart Schools Bond Act Funding.

	Governmental Activities and Total School District		
	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>% Change</u>
Land	2,563	2,564	0.00%
Buildings	119,229	119,313	0.00%
Equipment and Furniture	<u>2,533</u>	<u>3,466</u>	<u>36.8%</u>
Total	124,325	125,343	.82%

**Debt Administration:** At year-end, the District had \$ 40,770,000 in Serial Bonds outstanding, of which \$ 3,550,000 is due within one year. The following table presents a summary of the District's outstanding long-term debt for the fiscal year ended June 30, 2020.

### Outstanding Serial Bond Debt (000)

The Serial Bonds principle was decreased by \$3,210,000 during the fiscal year.

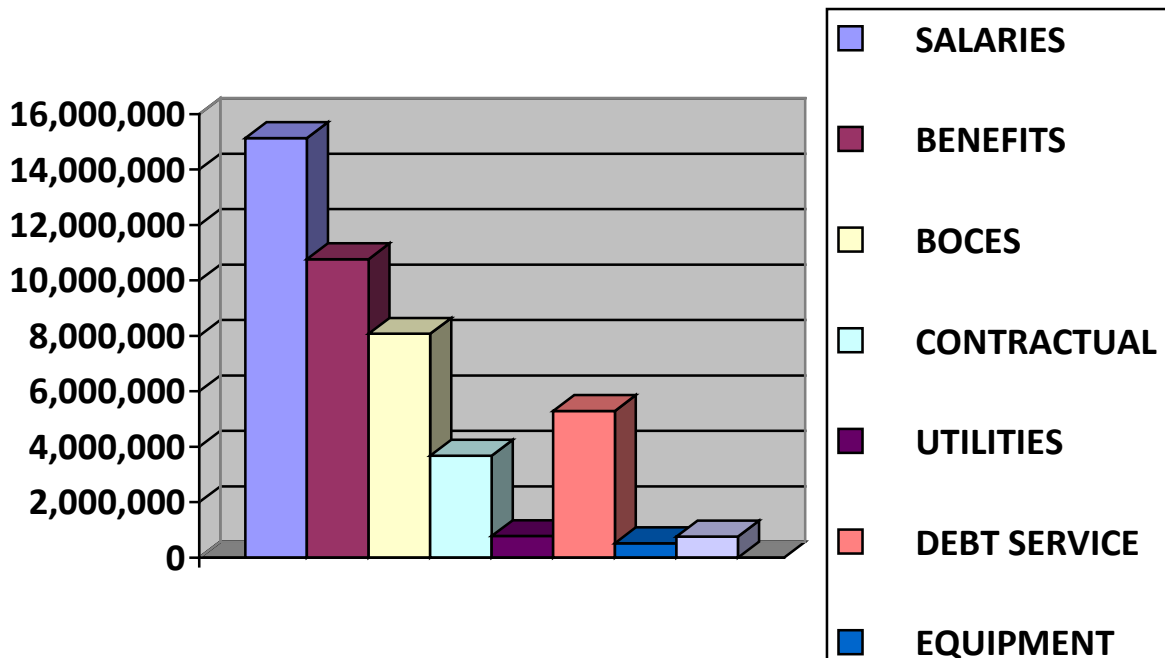
	Governmental Activities and Total School District		
	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>% Change</u>
General Obligation Bonds (Financed With Property Taxes)	43,980	40,770	(7.3%)

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Many factors were considered by the District's administration during the process of developing the fiscal year 2020-2021 budget. The primary factors were the District's student enrollment and program offerings due to rising costs in salaries, fringe benefits and debt service. State aid is not projected to increase in 2020-21., Although the school district budget is no longer negatively impacted by the existence of the Gap Elimination Adjustment it may see a new form of reduction due to Covid-19.

## OGDENSBURG CITY SCHOOL DISTRICT 2020-2021 EXPENDITURE BUDGET

	<u>Amount</u>	<u>% of Budget</u>
SALARIES	15,864,550	33.6%
BENEFITS	11,766,700	25.4%
BOCES	8,116,350	17.2%
CONTRACTUAL	3,851,650	8.2%
UTILITIES	778,000	1.6%
DEBT SERVICE	5,149,500	10.9%
EQUIPMENT	729,100	1.5%
MATERIALS & SUPPLIES	<u>742,850</u>	<u>1.6%</u>
Total Budget	\$ 47,200,000	100.0%



## **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the resources it receives. If you have questions about this report or need additional information, contact Patricia Smithers, Business Manager, Ogdensburg City School District, 1100 State Street, Ogdensburg, New York 13669.



**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**STATEMENT OF NET POSITION  
JUNE 30, 2020**

	<u>6/30/2020</u>
<b>ASSETS</b>	
Cash	
Unrestricted	\$ 6,289,951
Restricted	4,378,454
Receivables	
Accounts Receivable	1,535,187
Taxes Receivable	488,457
State and Federal Aid	1,726,752
Due from Fiduciary Funds	12,601
Inventories	78,614
Capital Assets	
Not Being Depreciated	2,563,800
Being Depreciated, Net of Accumulated Depreciation	75,976,780
Net Pension Asset - Proportionate Share	<u>1,993,150</u>
Total Assets	<u><u>\$ 95,043,746</u></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Other Postemployment Benefits	\$ 5,064,709
Pensions	<u>8,232,121</u>
Total Deferred Outflows of Resources	<u><u>\$ 13,296,830</u></u>
<b>LIABILITIES</b>	
Payables	
Accounts Payable	\$ 185,190
Accrued Liabilities	2,012,861
Due to Teachers' Retirement System	2,515,870
Due to Employees' Retirement System	570,805
Long-Term Liabilities	
Due and Payable Within One Year	
Serial Bonds	3,550,000
Due to Employees' Retirement System	16,813
Due and Payable After One Year	
Serial Bonds	39,556,197
Due to Employees' Retirement System	54,233
Compensated Absences Payable	104,789
Other Postemployment Benefits Obligation	74,682,017
Net Pension Liability - Proportionate Share	<u>2,385,201</u>
Total Liabilities	<u><u>\$ 125,633,976</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Other Postemployment Benefits	\$ 56,895,665
Pensions	<u>2,898,340</u>
Total Deferred Inflows of Resources	<u><u>\$ 59,794,005</u></u>
<b>NET POSITION</b>	
Investment in Capital Assets - Net of Related Debt	\$ 37,770,580
Restricted for	
Debt Service	2,166,993
Other Legal Restrictions	2,211,461
Unrestricted (Deficit)	<u>(119,236,439)</u>
Total Net Position	<u><u>\$ (77,087,405)</u></u>

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2020**

	Expenses	Program Revenues Charges for Services	Operating Grants	Net (Expense) Revenue and Changes in Net Position
<b>FUNCTIONS/PROGRAMS</b>				
General Support	\$ 5,230,281	\$ -	\$ -	\$ (5,230,281)
Instruction	25,497,024	748,539	1,772,737	(22,975,748)
Pupil Transportation	783,725	-	-	(783,725)
Community Service	62,005	-	-	(62,005)
Debt Service - Interest	1,411,174	-	-	(1,411,174)
School Food Service Program	526,691	228,097	680,519	381,925
Depreciation - Unallocated	<u>2,752,531</u>	<u>-</u>	<u>-</u>	<u>(2,752,531)</u>
Total Functions and Programs	<u>\$ 36,263,431</u>	<u>\$ 976,636</u>	<u>\$ 2,453,256</u>	<u>\$ (32,833,539)</u>
<b>GENERAL REVENUES</b>				
Real Property Taxes				\$ 8,231,930
Other Tax Items				2,509,607
Use of Money and Property				241,110
State Sources				30,452,193
Federal Sources				2,437
Miscellaneous				<u>1,095,543</u>
Total General Revenues				<u>42,532,820</u>
Change in Net Position				9,699,281
Total Net Position - Beginning of Year, as Restated				<u>(86,786,686)</u>
Total Net Position - End of Year				<u>\$ (77,087,405)</u>

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**  
**BALANCE SHEET - GOVERNMENTAL FUNDS**  
**JUNE 30, 2020**

	General	Special Aid	School Food Service	Debt Service	Capital Project	Total Governmental Funds
<b>ASSETS</b>						
Cash						
Unrestricted	\$ 6,261,060	\$ 539	\$ 503	\$ -	\$ 27,849	\$ 6,289,951
Restricted	2,684,740	-	-	1,693,714	-	4,378,454
Receivables						
Accounts Receivable	1,535,120	-	68	-	-	1,535,188
Taxes Receivable	488,457	-	-	-	-	488,457
State and Federal Aid	605,589	1,062,580	58,583	-	-	1,726,752
Due from Other Funds	946,769	-	-	473,279	6,725	1,426,773
Due from Fiduciary Funds	12,601	-	-	-	-	12,601
Inventories	-	-	78,614	-	-	78,614
Total Assets	<u>\$ 12,534,336</u>	<u>\$ 1,063,119</u>	<u>\$ 137,768</u>	<u>\$ 2,166,993</u>	<u>\$ 34,574</u>	<u>\$ 15,936,790</u>
<b>LIABILITIES</b>						
Payables						
Accounts Payable	\$ 158,513	\$ 18,782	\$ 4,559	\$ -	\$ 3,336	\$ 185,190
Accrued Liabilities	1,803,301	144,548	30,577	-	34,435	2,012,861
Due to Other Funds	476,367	899,039	47,730	-	3,637	1,426,773
Due to Teachers' Retirement System	1,153,218	-	-	-	-	1,153,218
Due to Employees' Retirement System	75,113	-	-	-	-	75,113
Deferred Inflows of Resources	311,301	-	-	-	-	311,301
Total Liabilities	<u>3,977,813</u>	<u>1,062,369</u>	<u>82,866</u>	<u>-</u>	<u>41,408</u>	<u>5,164,456</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	78,614	-	-	78,614
Restricted	2,211,461	-	-	2,166,993	-	4,378,454
Committed	637	750	-	-	-	1,387
Assigned	4,456,425	-	-	-	-	4,456,425
Unassigned	<u>1,888,000</u>	<u>-</u>	<u>(23,712)</u>	<u>-</u>	<u>(6,834)</u>	<u>1,857,454</u>
Total Fund Balances	<u>8,556,523</u>	<u>750</u>	<u>54,902</u>	<u>2,166,993</u>	<u>(6,834)</u>	<u>10,772,334</u>
Total Liabilities and Fund Balances	<u>\$ 12,534,336</u>	<u>\$ 1,063,119</u>	<u>\$ 137,768</u>	<u>\$ 2,166,993</u>	<u>\$ 34,574</u>	<u>\$ 15,936,790</u>

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSTION  
JUNE 30, 2020**

	Total Governmental Funds	Long-Term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
<b>ASSETS</b>				
Cash				
Unrestricted	\$ 6,451,929	\$ -	\$ -	\$ 6,451,929
Restricted	4,216,476	-	-	4,216,476
Receivables				
Accounts Receivable	1,535,187	-	-	1,535,187
Taxes Receivable	488,457	-	-	488,457
State and Federal Aid	1,726,752	-	-	1,726,752
Due from Other Funds	1,426,773	-	(1,426,773)	-
Due from Fiduciary Funds	12,601	-	-	12,601
Inventories	78,614	-	-	78,614
Capital Assets				
Not Being Depreciated	-	2,563,800	-	2,563,800
Being Depreciated, Net of Accumulated Depreciation	-	75,976,780	-	75,976,780
Net Pension Asset - Proportionate Share	-	1,993,150	-	1,993,150
Total Assets	<u>15,936,789</u>	<u>80,533,730</u>	<u>(1,426,773)</u>	<u>95,043,746</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Other Postemployment Benefits	-	5,064,709	-	5,064,709
Pensions	-	8,232,121	-	8,232,121
Total Deferred Outflows of Resources	<u>-</u>	<u>13,296,830</u>	<u>-</u>	<u>13,296,830</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 15,936,789</u>	<u>\$ 93,830,560</u>	<u>\$ (1,426,773)</u>	<u>\$ 108,340,576</u>
<b>LIABILITIES</b>				
Payables				
Accounts Payable	\$ 185,190	\$ -	\$ -	\$ 185,190
Accrued Liabilities	2,012,861	-	-	2,012,861
Due to Other Governments	-	-	-	-
Due to Teachers' Retirement System	1,153,218	1,362,652	-	2,515,870
Due to Employees' Retirement System	75,113	495,692	-	570,805
Deferred Inflows of Resources	311,301	-	(311,301)	-
Long-Term Liabilities				
Due and Payable Within One Year				
Due to Other Funds	1,426,773	-	(1,426,773)	-
Serial Bonds	-	3,550,000	-	3,550,000
Due to Employees' Retirement System	-	71,046	-	71,046
Due and Payable After One Year				
Serial Bonds	-	39,556,197	-	39,556,197
Compensated Absences	-	104,789	-	104,789
Other Postemployment Benefits Payable	-	74,682,017	-	74,682,017
Net Pension Liability - Proportionate Share	-	2,385,201	-	2,385,201
Total Liabilities	<u>5,164,456</u>	<u>122,207,594</u>	<u>(1,738,074)</u>	<u>125,633,976</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Other Postemployment Benefits	-	56,895,665	-	56,895,665
Pensions	-	2,898,340	-	2,898,340
Total Deferred Inflows of Resources	<u>-</u>	<u>59,794,005</u>	<u>-</u>	<u>59,794,005</u>
<b>FUND BALANCE/NET POSITION</b>				
Total Fund Balance/Net Position	<u>10,772,333</u>	<u>(88,171,039)</u>	<u>311,301</u>	<u>(77,087,405)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balance/Net Position	<u>\$ 15,936,789</u>	<u>\$ 93,830,560</u>	<u>\$ (1,426,773)</u>	<u>\$ 108,340,576</u>

Reconciling items recorded in the Statement of Net Position but not in the Governmental Funds include:

Capital Assets (Net), Serial Bonds Payable, Compensated Absences, Long-term portion due to NYSERS, OPEB and related Deferred Inflows/Outflows of Resources, and Net Pension Asset/Liability and related Deferred Inflows/Outflows of Resources.

Reconciling items recorded in the Governmental Funds but not in the Statement of Net Position include:

Reclassifications eliminating Interfund Transactions; and deferred inflows of resources.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**STATEMENT OF REVENUE, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2020**

	General	Special Aid	School Food Service	Debt Service	Capital Project	Total Governmental Funds
<b>REVENUES</b>						
Real Property Taxes	\$ 8,231,930	\$ -	\$ -	\$ -	\$ -	\$ 8,231,930
Other Tax Items	2,509,607	-	-	-	-	2,509,607
Charges for Services	748,539	-	-	-	-	748,539
Use of Money and Property	233,535	-	2	7,573	-	241,110
Miscellaneous	1,094,958	-	586	-	-	1,095,544
State Sources	29,404,112	492,718	21,369	-	736,780	30,654,979
Federal Sources	2,437	1,280,019	659,150	-	-	1,941,606
Sales - School Lunch	-	-	228,097	-	-	228,097
	<u>-</u>	<u>-</u>	<u>228,097</u>	<u>-</u>	<u>-</u>	<u>228,097</u>
 Total Revenues	 <u>42,225,118</u>	 <u>1,772,737</u>	 <u>909,204</u>	 <u>7,573</u>	 <u>736,780</u>	 <u>45,651,412</u>
<b>EXPENDITURES</b>						
General Support	4,554,728	-	-	-	-	4,554,728
Instruction	19,555,866	1,787,116	-	-	-	21,342,982
Pupil Transportation	776,745	-	-	-	-	776,745
Community Services	48,133	-	-	-	-	48,133
Employee Benefits	8,973,722	15,233	162,805	-	-	9,151,760
Debt Service						
Principal	3,210,000	-	-	-	-	3,210,000
Interest	1,834,104	-	-	-	-	1,834,104
Cost of Sales	-	-	407,792	-	-	407,792
Other Expenditures	-	-	413,031	-	-	413,031
Capital Outlay	-	-	-	-	824,518	824,518
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>824,518</u>	<u>824,518</u>
 Total Expenditures	 <u>38,953,298</u>	 <u>1,802,349</u>	 <u>983,628</u>	 <u>-</u>	 <u>824,518</u>	 <u>42,563,793</u>
 Excess (Deficiency) of Revenues over Expenditures	 <u>3,271,820</u>	 <u>(29,612)</u>	 <u>(74,424)</u>	 <u>7,573</u>	 <u>(87,738)</u>	 <u>3,087,619</u>
<b>OTHER FINANCING SOURCES AND (USES)</b>						
Operating Transfers (In)	350,000	30,362	-	-	84,401	464,763
Operating Transfers (Out)	(114,763)	-	-	(350,000)	-	(464,763)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(350,000)</u>	<u>-</u>	<u>(464,763)</u>
 Total Other Financing Sources and Uses	 <u>235,237</u>	 <u>30,362</u>	 <u>-</u>	 <u>(350,000)</u>	 <u>84,401</u>	 <u>-</u>
 Net Change in Fund Balances	 3,507,057	 750	 (74,424)	 (342,427)	 (3,337)	 3,087,619
 Fund Balances - Beginning of Year	 <u>5,049,466</u>	 <u>-</u>	 <u>129,326</u>	 <u>2,509,420</u>	 <u>(3,497)</u>	 <u>7,684,715</u>
 Fund Balances - End of Year	 <u>\$ 8,556,523</u>	 <u>\$ 750</u>	 <u>\$ 54,902</u>	 <u>\$ 2,166,993</u>	 <u>\$ (6,834)</u>	 <u>\$ 10,772,334</u>

See Notes to Financial Statements.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES  
JUNE 30, 2020**

Amounts reported for Governmental Activities in the Statement of Net Position are different because:

Net Change in Fund Balances - Total Governmental Funds \$ 3,087,619

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities assets with an initial, individual cost of more than \$ 5,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period, net of related losses on disposal of capital assets.

Capital Outlays	\$ 815,210	
Additions to Assets	201,359	
Depreciation Expense	<u>(2,752,531)</u>	(1,735,962)

Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of debt repayments made in the current period. 3,210,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because bond premiums are amortized on the Statement of Activities while the governmental funds report only the interest paid. 422,930

(Increases) decreases in accrued Compensated Absences and Due to ERS reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenue or expenditures in the Governmental Funds.

Compensated Absences	(17,755)	
Due to ERS	<u>16,217</u>	(1,538)

On the Statement of Activities, the actual and projected long term income (expense) for post employment benefits are reported whereas on the Governmental Funds only the actual expenditures are recorded for post employment benefits. 7,949,290

Certain revenues are deferred in Governmental Funds due to applying the "availability criterion" to receivables for the modified accrual basis of accounting. However, these deferred inflows of resources are considered revenue in the Statement of Activities and, therefore, are not reported in the Statement of Net Position. 311,301

(Increases) decreases in proportionate share of net pension assets/liabilities, prepaid pension expenditures, and deferred outflows / inflows of resources - pensions reported in the Statement of Activities do not provide for or require the use of current financial resources and therefore are not reported as revenues or expenditures in the Governmental Funds.

Teachers' Retirement System	(2,657,293)	
Employees' Retirement System	<u>(887,066)</u>	<u>(3,544,359)</u>

Change in Net Position of Governmental Activities \$ 9,699,281

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**STATEMENT OF FIDUCIARY NET POSITION**

**JUNE 30, 2020**

	Private Purpose Trusts	Agency
<b>ASSETS</b>		
Cash		
Unrestricted	\$ -	\$ 28,733
Restricted	554,231	154,496
Due from Governmental Funds	310	-
Investments/Securities	<u>69,210</u>	<u>-</u>
Total Assets	<u>\$ 623,751</u>	<u>\$ 183,229</u>
<b>LIABILITIES</b>		
Due to Governmental Funds	\$ 310	\$ 12,601
Other Liabilities	-	16,132
Extraclassroom Activity Balances	<u>-</u>	<u>154,496</u>
Total Liabilities	<u>310</u>	<u>\$ 183,229</u>
<b>NET POSITION</b>		
Reserved for Scholarships	<u>\$ 623,441</u>	

**STATEMENT OF CHANGES IN FIDUCIARY IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020**

	Private Purpose Trusts
<b>ADDITIONS</b>	
Gifts and Contributions	\$ 56,161
Investment Earnings	<u>142</u>
Total Additions	<u>56,303</u>
<b>DEDUCTIONS</b>	
Scholarships and Awards	<u>56,933</u>
Change in Net Position	(630)
Net Position - Beginning of Year	<u>624,071</u>
Net Position - End of Year	<u>\$ 623,441</u>

See Notes to Financial Statements.

## ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

#### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES

The financial statements of the Enlarged Ogdensburg City School District (the "District") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the District are described below:

##### A) Reporting Entity

The Enlarged Ogdensburg City School District is governed by the laws of New York State. The District is an independent entity governed by an elected Board of Education consisting of 9 members. The President of the Board serves as the chief fiscal officer and the Superintendent is the chief executive officer. The Board is responsible for, and controls all activities related to public school education within the District. Board members have authority to make decisions, power to appoint management, and primary accountability for all fiscal matters.

The reporting entity of the District is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*, as amended by GASB Statement 39, *Component Units*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The accompanying financial statements present the activities of the District. The District is not a component unit of another reporting entity. The decision to include a potential component unit in the District's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is a brief description of certain entities included in the District's reporting entity.

##### i) Extraclassroom Activity Funds

The Extraclassroom Activity Funds of the District represents funds of the students of the District. The Board of Education exercises general oversight of these funds. The Extraclassroom Activity Funds are independent of the District with respect to its financial transactions and the designation of student management. Separate audited financial statements (cash basis) of the Extraclassroom Activity Funds can be found at the District's business office. The District accounts for assets held as an agent for various student organizations in an agency fund.



## **ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

#### **NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

##### **B) Joint Venture**

The District is a component district in the St. Lawrence-Lewis Counties Board of Cooperative Educational Services (BOCES). A BOCES is a voluntary, cooperative association of school districts in a geographic area that shares planning, services, and programs that provide educational and support activities. There is no authority or process by which a school district can terminate its status as a BOCES component.

BOCES are organized under §1950 of the New York State Education Law. A BOCES Board is considered a corporate body. Members of a BOCES Board are nominated and elected by their component member boards in accordance with provisions of §1950 of the New York State Education Law. All BOCES property is held by the BOCES Board as a corporation (§1950(6)). In addition, BOCES Boards also are considered municipal corporations to permit them to contract with other municipalities on a cooperative basis under §119-n(a) of the New York State General Municipal Law.

A BOCES' budget is comprised of separate budgets for administrative, program, and capital costs. Each component district's share of administrative and capital cost is determined by resident public school district enrollment, as defined in the New York State Education Law, §1950(4)(b)(7). In addition, component districts pay tuition or a service fee for programs in which its students participate.

During the year, the District was billed \$ 7,977,512 for BOCES administrative and program costs.

The District's share of current fiscal year BOCES aid amounted to \$ 2,986,213 and there was a refund of prior year expenses of \$ 530,887.

Financial statements for the BOCES are available from the BOCES administrative office.

##### **C) Basis of Presentation**

###### **District-Wide Statements**

The Statement of Net Position and the Statement of Activities present financial information about the District's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. Governmental activities generally are financed through taxes, State aid and Federal aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

#### C) Basis of Presentation (Continued)

##### **District-Wide Statements (Continued)**

The Statement of Activities presents a comparison between direct expenses and revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods and services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

##### **Fund Statements**

The fund statements provide information about the District's funds, including each type of fiduciary fund. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District reports the following major governmental funds:

**General Fund:** This is the District's primary operating fund. It accounts for all financial transactions that are not required to be accounted for in another fund.

**Special Revenue Funds:** These funds account for the proceeds of specific revenue sources (such as Federal and State Grants) that are legally restricted to expenditures for specified purposes, child nutrition or other activities whose funds are restricted as to use. These legal restrictions may be imposed either by governments that provide the funds, or by outside parties.

Special revenue funds include the following:

**Special Aid Fund:** Used to account for special operating projects or programs supported in whole, or in part, with federal funds or state and local grants.

**School Food Service Fund:** Used to account for transactions of the lunch and breakfast programs.

**Capital Projects Funds:** These funds are used to account for the financial resources used for acquisition, construction, or major repair of capital facilities. For these funds, each capital project is assessed to determine whether it is a major or non-major fund. Those capital projects that are determined to be major are reported in separate columns in the financial statements. Those that are determined to be non-major are reported in the supplemental schedules either separately or in the aggregate.

## ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

#### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

##### C) Basis of Presentation (Continued)

Debt Service Fund: This fund accounts for the accumulation of resources and the payment of principal and interest on long-term general obligation debt of governmental activities. When a capital asset is sold and all or a portion of the bonds used to finance the capital asset are outstanding, this fund must be used to account for the proceeds from the sale of capital assets up to the balance of related bonds outstanding.

The District reports the following fiduciary funds:

Fiduciary Funds: Fiduciary activities are those in which the District acts as trustee or agent for resources that belong to others. These activities are not included in the District-wide financial statements, because their resources do not belong to the District, and are not available to be used.

There are two classes of fiduciary funds:

Private Purpose Trust Funds: These funds are used to account for trust arrangements in which principal and income benefit individuals, private organizations or other governments. A scholarship is an example of a Private-Purpose Trust Fund. Established criteria govern the use of the funds and members of the District or representatives of the donors may serve on committees to determine who benefits.

Agency Funds: These funds are strictly custodial in nature and do not involve the measurement of results of operations. Assets are held by the District as agent for various student groups or extracurricular activity funds and for payroll or employee withholding.

##### D) Measurement Focus and Basis of Accounting

Accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, state aid, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from state aid is recognized in the fiscal year it is apportioned by the State. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**D) Measurement Focus and Basis of Accounting (Continued)**

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year as it matches the liquidation of related obligations.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, compensated absences, pensions, and other post-employment benefits which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

**E) Property Taxes**

Real property taxes are levied annually by the Board of Education no later than September 1, and become a lien on September 1. Taxes were collected during the period September 3, 2019 to January 3, 2020.

The City and County in which the District is located enforce uncollected real property taxes. An amount representing all uncollected real property taxes must be transmitted by the City to the District within two years from the return of unpaid taxes to the City. Real property taxes receivable expected to be collected within 60 days of year-end, less similar amounts collected during this period in the preceding year are recognized as revenue. Otherwise, a deferred inflow of resources offset real property taxes receivable.

**F) Restricted Resources**

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy concerning which to apply first varies with the intended use, and with associated legal requirements, many of which are described elsewhere in these Notes.

**G) Interfund Transactions**

The operations of the District include transactions between funds. These transactions may be temporary in nature, such as with interfund borrowings. The District typically loans resources between funds for the purpose of providing cash flow. These interfund receivables and payables are expected to be repaid within one year. Permanent transfers of funds include the transfer of expenditures and revenues to provide financing or other services.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**G) Interfund Transactions (Continued)**

In the district-wide statements, the amounts reported on the Statement of Net Position for interfund receivables and payables represent amounts due between different fund types (governmental activities and fiduciary funds). Eliminations have been made for all interfund receivables and payables between the funds, with the exception of those due from or to the fiduciary funds.

The governmental funds report all interfund transactions as originally recorded. Interfund receivables and payables may be netted on the accompanying governmental funds balance sheet when it is the District's practice to settle these amounts at a net balance based upon the right of legal offset.

Refer to Note 11 for a detailed disclosure by individual fund for interfund receivables, payables, expenditures, and revenues activity.

**H) Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates. Estimates and assumptions are made in a variety of areas, including computation of encumbrances, compensated absences, potential contingent liabilities, and useful lives of long-lived assets.

**I) Cash and Cash Equivalents/Investments**

The District's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

New York State law governs the District's investment policies. Resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and Districts.

Investments are stated at fair value.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**J) Accounts Receivable**

Receivables are shown net of an allowance for uncollectible amounts, when applicable. An allowance for uncollectible accounts represents the portion of accounts receivable that is not expected to be collected within 365 days.

**K) Inventories and Prepaid Items**

Inventories of food in the School Food Service Fund are recorded at cost on a first-in, first-out basis, or in the case of surplus food, at stated value that approximates market. Purchases of inventory items in other funds are recorded as expenditures at the time of purchase and are considered immaterial in amount.

Prepaid items represent payments made by the District for which benefits extend beyond year-end. These payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the district-wide and fund financial statements. These items are reported as assets on the statement of net position or balance sheet using the consumption method. A current asset for the prepaid amounts is recorded at the time of receipt and/or purchase and an expense/expenditure is reported in the year the goods or services are consumed.

A reserve for these non-liquid assets (inventories and prepaid items) has been recognized to signify that a portion of the fund balance is not available for other subsequent expenditures.

**L) Other Assets and Restricted Assets**

Certain proceeds from serial bonds and bond anticipation notes, as well as resources set aside for their repayment are classified as restricted assets in the district-wide financial statements and their use is limited by applicable bond covenants.

In the district-wide financial statements, bond discounts and premiums, and any prepaid bond insurance costs are deferred and amortized over the life of the debt issue. Bond issuance costs are recognized as an expense in the period incurred.

**M) Capital Assets**

Capital assets are reported at actual cost or estimated historical costs if actual historical cost is not available. Donated assets are reported at estimated fair market value at the time received. Land and construction in process are not depreciated.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**M) Capital Assets (Continued)**

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the district-wide statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	Straight Line (SL)	40 yr.
Building Improvements	\$ 5,000	SL	15 - 40 yr.
Site Improvements	\$ 5,000	SL	15 - 30 yr.
Furniture and Equipment	\$ 5,000	SL	5 - 15 yr.

**N) Deferred Outflows and Inflows of Resources**

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. If applicable, the District has four items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the district-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension asset or liability and difference during the measurement period between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is the District's contributions to the pension systems (TRS and ERS Systems) and OPEB subsequent to the measurement date. The fourth item relates to OPEB reporting in the district-wide Statement of Net Position. This represents the effect of the net change in the actual and expected experience.

In addition to liabilities, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has four items that qualify for reporting in this category. The first arises only under a modified accrual basis of accounting and is reported as unavailable revenue - property taxes.

## ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

#### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

##### N) Deferred Outflows and Inflows of Resources (Continued)

The second item is related to pensions reported in the district-wide Statement of Net Position. This represents the effect of the net change in the District's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the District's contributions and its proportionate share of total contributions to the pension systems not included in pension expense. The third item is revenues from grants received that have met all other eligibility requirements except those related to time restrictions. The fourth item is related to OPEB reported in the district-wide Statement of Net Position. This represents the effect of the net changes of assumptions or other inputs.

##### O) Pension Obligations

New York State and Local Employees' Retirement System (ERS) and the New York State Teachers' Retirement System (TRS) (the Systems).

##### Plan Description and Benefits Provided

###### Teachers' Retirement System (TRS)

The District participates in the New York State Teachers' Retirement System (TRS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits to plan members and beneficiaries as authorized by the Education Law and the Retirement and Social Security Law of the State of New York. The System is governed by a 10-member Board of Trustees. System benefits are established under New York State Law. Membership is mandatory and automatic for all full-time teachers, teaching assistants, guidance counselors, and administrators employed in New York Public Schools and BOCES who elected to participate in TRS. Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a Statute. The New York State TRS issues a publicly available financial report that contains financial statements and required supplementary information for the System. The report and additional information may be obtained by writing to the New York State Teachers' Retirement System, 10 Corporate Woods Drive, Albany, NY 12211-2395 or by referring to the NYSTRS Comprehensive Annual Financial report, which can be found on the System's website at [www.nystrs.org](http://www.nystrs.org).

###### Employees' Retirement System (ERS)

The district participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System.



**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**O) Pension Obligations (Continued)**

The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The District also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications.index.php](http://www.osc.state.ny.us/retire/publications.index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The Systems are noncontributory except for employees who joined after July 27, 1976, who contribute 3.0% of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0% to 3.5% of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. For TRS, contribution rates are established annually by the New York State Teachers' Retirement Board pursuant to Article 11 of the Education Law. For ERS, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100% of the contributions required, and were as follows:

<u>Contributions</u>	<u>TRS</u>	<u>ERS</u>
2019-2020	\$ 1,359,950	\$ 355,224
2018-2019	\$ 1,413,523	\$ 356,440
2017-2018	\$ 1,267,675	\$ 332,462

The District contributions made to the Systems were equal to 100% of the contributions required for each year. ERS has provided additional disclosures through entities that elected to participate in Chapter 260, 57, and 105.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**O) Pension Obligations (Continued)**

**Pension Assets, Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2020, the District reported the following asset/(liability) for its proportionate share of the net pension asset/(liability) for each of the Systems. The net pension asset/(liability) was measured as of March 31, 2020 for ERS and June 30, 2019 for TRS. The total pension asset/(liability) used to calculate the net pension asset/(liability) was determined by an actuarial valuation. The District's proportion of the net pension asset/(liability) was based on a projection of the District's long-term share of contributions to the Systems relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS and TRS Systems in reports provided to the District.

	<u>ERS</u>	<u>TRS</u>
Actuarial valuation date	March 31, 2020	June 30, 2019
Net Pension Asset/(Liability)	\$ (2,385,201)	\$ 1,993,150
District's Portion of the Plan's		
Total Net Pension Asset/(Liability)	0.0090074%	0.076718%

For the year ended June 30, 2020, the District recognized its proportionate share of pension expense (credit) of \$ 798,705 for ERS and \$ 2,496,381 for TRS. At June 30, 2020 the District's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u>		<u>Deferred Inflows</u>	
	<u>ERS</u>	<u>TRS</u>	<u>ERS</u>	<u>TRS</u>
Difference Between Expected and Actual Experience	\$ 140,379	\$ 1,350,707	\$ -	\$ 148,215
Changes of Assumptions	48,027	3,765,328	41,470	918,093
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	1,222,770	-	-	1,598,404
Changes in Proportion and Difference Between the District's Contributions and Proportionate Share of Contributions	30,839	314,121	52,972	139,186
District Contributions Subsequent to the Measurement Date	<u>-</u>	<u>1,359,950</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 1,442,015</u>	<u>\$ 6,790,106</u>	<u>\$ 94,442</u>	<u>\$ 2,803,898</u>

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

#### O) Pension Obligations (Continued)

District contributions subsequent to the measurement date which will be recognized as a reduction of the net pension asset/(liability) in the year ended June 30, 2020 for TRS. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended	ERS	TRS
2020	\$ -	\$ 933,237
2021	218,635	88,724
2022	337,696	929,968
2023	441,449	625,508
2024	349,793	117,547
Thereafter	-	(68,726)
	<u>\$ 1,347,573</u>	<u>\$ 2,626,258</u>

#### Actuarial Assumptions

The total pension asset/(liability) as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension asset/(liability) to the measurement date. The actuarial valuations used the following actuarial assumptions:

	ERS	TRS
Measurement Date	3/31/2020	6/30/2019
Actuarial Valuation Date	4/01/2019	6/30/2018
Interest Rate	6.80%	7.10%
Salary Scale	4.20%	1.90 – 4.72%
Decrement Tables	4/1/2010 to 3/31/2015	7/01/2009 to 6/30/2014
Inflation Rate	2.5%	2.20%
Projected Cost of Living Adjustments	1.30%	1.30%

For ERS, annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on Society of Actuaries' MP-2018. For TRS, annuitant mortality rates are based on July 1, 2009 - June 30, 2014 System's experience with adjustments for mortality improvements based on Society of Actuaries Scale MP-2018.

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

#### O) Pension Obligations (Continued)

For ERS, the actuarial assumptions used in the April 1, 2019 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015. For TRS, the actuarial assumptions used in the June 30, 2018 valuation are based on the results of an actuarial experience study for the period July 1, 2009 - June 30, 2014.

The long term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of Practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for each major asset class as well as historical investment data and plan performance.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date	Target Allocation		Long-Term Expected Real Rate of Return	
	TRS	ERS	TRS	ERS
	June 30, 2019	March 31, 2020	June 30, 2019	March 31, 2020
Asset Class:				
Domestic Equity	33%	36.0%	6.3%	4.05%
International Equity	16%	14.0%	7.8%	6.15%
Global Equities	4%		7.2%	
Real Estate	11%	10.0%	4.6%	4.95%
Private Equities	8%	10.0%	9.9%	6.75%
Domestic Fixed Income	16%		1.3%	
Global Bonds	2%		0.9%	
Private Debt	1%		6.5%	
Real Estate Debt	7%		2.9%	
High Yield Bonds	1%		3.6%	
Mortgages and Bonds		17.0%		0.75%
Absolute Return				
Strategies		2.0%		3.25%
Opportunistic Portfolio		3.0%		4.65%
Real Assets		3.0%		5.95%
Cash	1%	1.0%	0.3%	0.00%
Inflation-Indexed Bonds		4.0%		0.50%
	100%	100%		

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

#### O) Pension Obligations (Continued)

##### Discount Rate

The discount rate used to calculate the total pension asset (liability) was 6.80% for ERS and 7.10% for TRS. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension asset (liability).

##### *Sensitivity of the Proportionate Share of the Net Pension Asset (Liability) to the Discount Rate Assumption*

The following presents the District's proportionate share of the net pension asset (liability) as of June 30, 2020 calculated using the discount rate of 6.80% for ERS and 7.10% for TRS, as well as what the District's proportionate share of the net pension asset (liability) would be if it were calculated using a discount rate that is 1 percentage point lower (5.80% for ERS and 6.10% for TRS) or 1 percentage point higher (7.80% for ERS and 8.10% for TRS) than the current rate :

	1% Decrease (6.10)%	Current Assumption (7.10%)	1% Increase (8.10)%
<u>                    TRS                    </u>			
District's Proportionate Share of the Net Pension Asset (Liability)	<u>\$ (8,996,873)</u>	<u>\$ 1,993,150</u>	<u>\$ 11,212,539</u>
	1% Decrease (5.80)%	Current Assumption (6.80%)	1% Increase (7.80)%
<u>                    ERS                    </u>			
District's Proportionate Share of the Net Pension Asset (Liability)	<u>\$ (4,377,517)</u>	<u>\$ (2,385,201)</u>	<u>\$ (550,269)</u>

##### *Changes of Assumptions*

Changes of assumptions about future economic or demographic factors or other inputs are amortized over a closed period equal to the average of the expected service lives of all employees that are provided with pension benefits.

## ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

#### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

##### O) Pension Obligations (Continued)

###### *Collective Pension Expense*

Collective pension expense includes certain current period changes in the collective net pension asset/(liability), projected earnings on pension plan investments, and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The collective pension expense for the year ended June 30, 2020 is \$ 2,496,381 for ERS and \$ 798,705 for TRS.

###### **Payables to the Pension Plan**

For TRS, employer and employee contributions for the fiscal year ended June 30, 2020 are paid to the System in September, October, and November 2020 through a state aid intercept. Accrued retirement contributions as of June 30, 2020 represent employee and employer contributions for the fiscal year ended June 30, 2020 based on paid TRS covered wages multiplied by the employer's contribution rate, by tier, and employee contributions for the fiscal year as reported to the TRS System. Accrued retirement contributions as of June 30, 2020 amounted to \$ 1,153,218.

For ERS, employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of June 30, 2020 represent the projected employer contribution for the period of April 1, 2020 through June 30, 2020 based on paid ERS covered wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of June 30, 2020 amounted to \$ 75,113.

##### P) Unearned credits

The District reports unearned credits on its Statement of Net Position and its Balance Sheet. On the Statement of Net Position, unearned credits arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when the District has legal claim to the resources, the liability for unearned credits is removed and revenue is recorded.

##### Q) Vested Employee Benefits

###### **Compensated Absences**

Compensated absences consist of unpaid accumulated annual sick leave and vacation time.

Sick leave eligibility and accumulation is specified in negotiated labor contracts, and in individual employment contracts. Upon retirement, resignation or death, employees may contractually receive a payment based on unused accumulated sick leave.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**Q) Vested Employee Benefits (Continued)**

District employees are granted vacation in varying amounts, based primarily on length of service and service position. Some earned benefits may be forfeited if not taken within varying time periods.

Consistent with GASB Statement 16, *Accounting for Compensated Absences*, the liability has been calculated using the vesting/termination method and an accrual for that liability is included in the district-wide financial statements. The compensated absences liability is calculated based on the pay rates in effect at year-end.

In the funds statements only, the amount of matured liabilities is accrued within the General Fund based upon expendable and available financial resources. These amounts are expensed on a pay-as-you go basis.

**R) Other Benefits**

District employees participate in the New York State Teachers' Retirement System and the New York State Employees' Retirement System.

In addition to providing pension benefits, the District provides post-employment health insurance coverage and survivor benefits to retired employees and their survivors in accordance with the provision of various employment contracts in effect at the time of retirement. Substantially all of the District's employees may become eligible for these benefits if they reach normal retirement age while working for the District. Health care benefits are provided through plans whose premiums are based on the benefits paid during the year. The District recognizes the cost of providing health insurance by recording its share of insurance premiums as an expenditure.

District employees may choose to participate in the District's elective deferred compensation plans established under Internal Revenue Code Sections 403(b) and 457.

**S) Short-Term Debt**

The District may issue Revenue Anticipation Notes (RAN) and Tax Anticipation Notes (TAN), in anticipation of the receipt of revenues. These notes are recorded as a liability of the fund that will actually receive the proceeds from the issuance of the notes. The RANs and TANs represent a liability that will be extinguished by the use of expendable, available resources of the fund.

## ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

#### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

##### S) Short-Term Debt (Continued)

The District may issue budget notes up to an amount not to exceed 5% of the amount of the annual budget during any fiscal year for expenditures for which there is an insufficient or no provision made in the annual budget. The budget note must be repaid no later than the close of the second fiscal year succeeding the year in which the note was issued.

The District may issue Bond Anticipation Notes (BAN), in anticipation of proceeds from the subsequent sale of bonds. These notes are recorded as current liabilities of the funds that will actually receive the proceeds from the issuance of bonds. Such notes may be classified as part of the General Long-Term Debt Account Group when (1) the intention is to refinance the debt on a long-term basis and (2) the intention can be substantiated through a post balance-sheet issuance of long-term debt or by an acceptable financing agreement. State law requires that BANs issued for capital purposes be converted to long-term financing within five years after the original issue date. There was no short-term debt as of June 30, 2020.

##### T) Accrued Liabilities and Long-Term Obligations

Payables, accrued liabilities, and long-term obligations are reported in the district-wide financial statements. In the governmental funds, payables and accrued liabilities are paid in full, in a timely manner, from current financial resources. Claims and judgments, other post-employment benefits payable and compensated absences that will be paid from governmental funds, are reported as a liability in the funds financial statements only to the extent that they are due for payment in the current year. Bonds and other long-term obligations that will be paid from governmental funds are recognized as a liability in the fund financial statements when due.

Long-term obligations represent the District's future obligations or future economic outflows. The liabilities are reported as due in one year or due within more than one year in the Statement of Net Position.

##### U) Equity Classifications

###### District-wide Statements

In the district-wide statements there are three classes of net position:

Net Investment in Capital Assets: Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets.

Restricted Net Position: Reports net position when constraints placed on the assets or deferred outflows of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.



**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**U) Equity Classifications (Continued)**

Unrestricted Net Position: Reports the balance of net position that does not meet the definition of the above two classifications and is deemed to be available for general use by the District.

**Funds Statements**

In the fund basis statements there are five classifications of fund balance:

Nonspendable: Includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. Non-spendable fund balance includes the inventory recorded in the School Food Service Fund of \$ 78,614 as of June 30, 2020.

Restricted: Includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

The District has established the following restricted fund balances:

Unemployment Insurance Payment Reserve Fund

According to General Municipal Law §6-m, all expenditures made from the unemployment insurance payment reserve fund must be used to pay the cost of reimbursement to the State Unemployment Insurance Fund for payments made to claimants where the employer has elected to use the benefit reimbursement method. The reserve may be established by Board action and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. If the District elects to convert to tax (contribution) basis, excess resources in the fund over the sum sufficient to pay pending claims may be transferred to any other reserve fund. This reserve is accounted for in the General Fund.

Employee Benefit Accrued Liability Reserve Fund

According to General Municipal Law §6-p, expenditures made from the employee benefit accrued liability reserve fund must be used for the payment of accrued employee benefit due an employee upon termination of the employee's service. This reserve may be established by a majority vote of the Board and is funded by budgetary appropriations and such other reserves and funds that may be legally appropriated. This reserve is accounted for in the General Fund.

## ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

#### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

##### U) Equity Classifications (Continued)

###### Retirement Contributions Reserve Fund

According to General Municipal Law §6-r, all expenditures made from the retirement contributions reserve fund must be used for financing retirement contributions to the New York State and Local Employees' Retirement System. This reserve is established by Board resolution and is funded by budgetary appropriation and such other reserves and funds that may be legally appropriated. The reserve must be accounted for separate and apart from all other funds and a detailed report of the operation and condition of the fund must be provided to the Board. This reserve is accounted for in the General Fund. Effective April 1, 2019, a Board may adopt a resolution establishing a sub-fund for contributions to the New York State Teachers' Retirement System. During a fiscal year, the Board may authorize payment into the sub-fund of up to 2% of the total covered salaries paid during the preceding fiscal year, with the total amount funded not to exceed 10% of the total covered salaries paid during the preceding fiscal year. The sub-fund is separately administered, but must comply with all the existing provisions of General Municipal Law §6-r.

###### Tax Certiorari Reserve Fund

According to Education Law §3651.1-a, funds must be used to establish a reserve fund for tax certiorari and to expend from the fund without voter approval. The monies held in the reserve shall not exceed the amount that might reasonably be deemed necessary to meet anticipated judgments and claims arising out of tax certiorari proceedings. Any resources deposited to the reserve which are not expended for tax certiorari proceedings in the year such monies are deposited must be returned to the General Fund on or before the first day of the fourth fiscal year after deposit of these monies. This reserve is accounted for in the General Fund.

###### Debt Service Reserve Fund

According to General Municipal Law §6-l, the mandatory reserve for debt service must be established for the purpose of retiring the outstanding obligations upon the sale of District property or capital improvement that was financed by obligations that remain outstanding at the time of sale. The funding of the reserve is from the proceeds of the sale of District property or capital improvement. This reserve is accounted for in the Debt Service Fund.

*The District has the following restricted fund balances available but are not currently being used:*

## ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

#### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

##### U) Equity Classifications (Continued)

###### Repair Reserve Fund

According to GML §6-d, expenditures made from the repairs reserve fund must be used to pay the cost of repairs to capital improvements or equipment, which repairs are of a type not recurring annually. The Board of Education without voter approval may establish a repair reserve fund by a majority vote of its members. Voter approval is required to fund this reserve (Opinion of the New York State Comptroller 81-401). Expenditures from this reserve may be made only after a public hearing has been held, except in emergency situations. If no hearing is held, the amount expended must be repaid to the reserve fund over the next two subsequent fiscal years. This reserve is accounted for in the General Fund.

###### Capital Reserve Fund

According to Education Law §3651, expenditures made from the capital reserve fund must be used to pay the cost of any object or purpose for which bonds may be issued. The creation of a capital reserve fund requires authorization by a majority of the voters establishing the purpose of the reserve, the ultimate amount, its probable term, and the source of the funds. Expenditure may be made from the reserve only for a specific purpose further authorized by the voters. The form for the required legal notice for the vote on establishing and funding the reserve and the form of the proposition to be placed on the ballot are set forth in §3651 of the Education Law. This reserve is accounted for in the General Fund.

###### Workers' Compensation Reserve Fund

According to General Municipal Law §6-j, all expenditures made from the worker's compensation reserve fund must be used to pay for compensation benefits and other expenses authorized by Article 2 of the Workers' Compensation Law, and for payment of expenses of administering this self-insurance program. The reserve may be established by Board action, and is funded by budgetary appropriations and such other funds as may be legally appropriated. Within sixty days after the end of any fiscal year, excess amounts may either be transferred to another reserve or the excess applied to the appropriations of the next succeeding fiscal year's budget. This reserve is accounted for in the General Fund.

###### Liability Claims and Property Loss Reserve Fund

According to Education Law Section §1709(8)(c), must be used to pay for liability claims and property loss incurred. Separate funds for liability claims and property loss are required, and these reserves may not in total exceed 3% of the annual budget or \$ 15,000, whichever is greater. This type of reserve fund may be utilized only by school districts with a population greater than 125,000. This reserve is accounted for in the General Fund.

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)

#### U) Equity Classifications (Continued)

##### Insurance Reserve Fund

According to General Municipal Law §6-n, all expenditures made from the insurance reserve fund must be used to pay liability, casualty and other types of losses, except losses incurred for which the following types of insurance may be purchased: life, accident, health, annuities, fidelity and surety, credit, title residual value, and mortgage guarantee. In addition, this reserve may not be used for any purpose for which a special reserve may be established pursuant to law (for example, for unemployment compensation insurance). The reserve may be established by Board action, and funded by budgetary appropriations, or such other funds as may be legally appropriated. There is no limit on the amount that may be accumulated in the Insurance Reserve; however, the annual contribution to this reserve may not exceed the greater of \$ 33,000 or 5% of the budget. Settled or compromised claims up to \$ 25,000 may be paid from the reserve without judicial approval. This reserve is accounted for in the General Fund.

##### Uncollected Taxes in a City School District Reserve Fund

According to Education Law, §3651 [1-b], expenditures made from the uncollected taxes reserve fund must be used to cover uncollected real property taxes for a given tax fiscal year in city school districts provided the city or county is not required to pay to the treasurer of a city school district the amount of unpaid taxes during the fiscal year for which they are levied, the Board of Education may establish a reserve for uncollected taxes without voter approval, provided that the ratio of the amount of such reserve to the total principal amount of the district's tax levy for the fiscal year is not less than the ratio of the principal amount of the District's taxes as levied for the last completed fiscal year but not received by the District before the end of that fiscal year, to the total principal amount of the tax levy for the last completed fiscal year. Source of funds generally is through budgetary appropriations. If the city or county is not required to pay to the treasurer of a city school district unpaid taxes pursuant to §1332 of the Real Property Tax Law, the board of education of the city school district shall establish a reserve pursuant to this subdivision, provided that such reserve shall not be less than the amount of the taxes for the fiscal year for which the budget is being prepared which are estimated to be unpaid during such fiscal year under the Real Property Tax Law. This reserve is accounted for in the General Fund.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**U) Equity Classifications (Continued)**

Restricted fund balance as of June 30, 2020 includes the following:

General Fund	
Unemployment Insurance	\$ 425,168
Retirement Contribution – NYSERS	965,595
Tax Certiorari	505,582
Employee Benefit Accrued Liability	290,577
Restricted Fund Balance - Other	24,539
Debt Service Fund	<u>2,166,993</u>
 Total Restricted Funds	 <u><u>\$ 4,378,454</u></u>

Committed: Includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority, i.e., the Board of Education. The District had committed fund balance of \$ 637 in the General Fund and \$ 750 in the Special Aid Fund, as of June 30, 2020.

Assigned: Includes amounts that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. The purpose of the constraint must be narrower than the purpose of the General Fund, and in funds other than the General Fund. Assigned fund balance represents the residual amount of fund balance. Assigned fund balance also includes an amount appropriated to partially fund the subsequent year's budget, as well as encumbrances not classified as restricted at the end of the fiscal year. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. The District had assigned fund balance of \$ 4,456,425 in the General Fund as of June 30, 2020.

Unassigned: Includes all other General Fund amounts that do not meet the definition of the above four classifications and are deemed to be available for general use by the District. In funds other than the General Fund, the unassigned classification is used to report a deficit fund balance resulting from overspending for specific purposes for which amounts had been restricted or assigned.

NYS Real Property Tax Law §1318 limits the amount of unexpended surplus funds. Excluding the reserve for tax reduction, a school district can retain no more than 4% of the District's budget for the General Fund for the ensuing fiscal year. Non-spendable and restricted fund balance of the General Fund are excluded from the 4% limitation. Amounts appropriated for the subsequent year, encumbrances and amounts reserved for insurance recoveries are also excluded from the 4% limitation.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**U) Equity Classifications (Continued)**

**Net Position/Fund Balance**

Net Position Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the district-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

Fund Balance Flow Assumption: Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

Order of Use of Fund Balance: The District's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the General Fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

**V) Bond Premiums**

On the government-wide financial statements, bond premiums are deferred and amortized over the term of the bonds using the effective interest method. Bond premiums are presented as an addition to the face amount of the bonds payable.

**W) New Accounting Standards**

The District has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At June 30, 2020, the District implemented the following new standard issued by GASB.

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, issued and effective May 2020.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 1 - SUMMARY OF ACCOUNTING POLICIES (Continued)**

**X) Future Changes in Accounting Standards**

GASB Statement 84, *Fiduciary Activities*, effective for year ending June 30, 2021.

GASB Statement 87, *Leases*, effective for year ending June 30, 2022.

GASB Statement 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for year ending June 30, 2022.

GASB Statement 90, has issued Statement No. 90, *Majority Equity Interests and amendment of GASB Statements No. 14 and No. 61*, effective for the year ending June 30, 2021.

GASB Statement 91, *Conduct Debt Obligations*, effective for year ending June 30, 2023.

GASB Statement No. 92, *Omnibus 2020*, effective for the year ending June 30, 2022.

The District will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

**NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the district-wide statements, compared with the current financial resources focus of the governmental funds.

**A) Total Fund Balance of Governmental Funds vs. Net Position of Governmental Activities**

Total fund balances of the District's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental fund balance sheets, as applied to the reporting of capital assets and long-term liabilities, including pensions and other post-employment benefits.

## ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

#### NOTE 2 - EXPLANATION OF CERTAIN DIFFERENCES BETWEEN FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS (Continued)

##### B) Statement of Revenues, Expenditures, and Changes in Fund Balance vs. Statement of Activities

Differences between the funds' Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of five broad categories. The amounts shown below represent:

Long-Term Revenue and Expenses Differences: Long-term revenue differences arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

Capital Related Differences: Capital related differences include the difference between proceeds for the sale of capital assets reported on fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the fund statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-Term Debt Transaction Differences: Long-term debt transaction differences occur because both interest and principal payments are recorded as expenditures in the fund statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

Pension Differences: Pension differences occur as a result of changes in the District's proportion of the collective net pension asset/liability and differences between the District's contributions and its proportionate share of the total contributions to the pension systems.

OPEB Differences: OPEB differences occur as a result of changes in the District's total OPEB liability and differences between the District's contributions and OPEB expense.

#### NOTE 3 - CHANGES IN ACCOUNTING PRINCIPLES

For the fiscal year ended June 30, 2020, the District implemented GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.



## **ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

#### **NOTE 4 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

##### **Budgets**

The District administration prepares a proposed budget for approval by the Board of Education for the following governmental funds for which legal (appropriated) budgets are adopted:

The voters of the District approved the proposed appropriation budget for the General Fund.

Appropriations are adopted at the program line item level.

Appropriations established by the adoption of the budget constitute a limitation on expenditures (and encumbrances) that may be incurred. Appropriations lapse at the end of the fiscal year unless expended or encumbered. Encumbrances will lapse if not expended in the subsequent year.

Appropriations authorized for the current year are increased by the planned use of specific reserves, and budget amendments approved by the Board of Education as a result of selected new revenue sources not included in the original budget (when permitted by law). These supplemental appropriations may occur subject to legal restrictions, if the Board approves them because of a need that exists which was not determined at the time the budget was adopted. No supplemental appropriations occurred during the year.

Budgets are adopted annually on a basis consistent with GAAP. Appropriations authorized for the year are increased by the amount of encumbrances carried forward from the prior year.

The General Fund is the only fund with a legally approved budget for the fiscal year ended June 30, 2020.

Budgets are established and used for individual capital project fund expenditures as approved by a special referendum of the District's voters. The maximum project amount authorized is based primarily upon the cost of the project, plus any requirements for external borrowings, not annual appropriations. These budgets do not lapse and are carried over to subsequent fiscal years until the completion of the projects.

##### **Encumbrances**

Encumbrance accounting is used for budget control and monitoring purposes and is reported as a part of the governmental funds. Under this method, purchase orders, contracts, and other commitments for the expenditure of monies are recorded to reserve applicable appropriations. Outstanding encumbrances as of year-end are presented as restrictions or assignments of fund balance and do not represent expenditures or liabilities. These commitments will be honored in the subsequent period. Related expenditures are recognized at that time, as the liability is incurred, or the commitment is paid.

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 5 - CASH AND CASH EQUIVALENTS - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS

#### Cash

The District's aggregate bank balances (disclosed in the financial statements), included balances not covered by depository insurance at year-end, collateralized as follows:

A) Uncollateralized	\$ -
B) Collateralized with securities held by the pledging financial institution's trust department or agent, but not in the District's name	\$ 11,128,872

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end includes \$ 2,211,461 restricted for various fund balance reserves in the general fund, \$ 2,166,993 for retiring outstanding obligations in the debt service fund, \$ 154,496 restricted for extra-classroom in the fiduciary fund and \$ 554,231 restricted for scholarships in the fiduciary fund.

#### Investment and Deposit Policy

The District follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Business Manager of the District.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

#### Credit Risk

The District's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The District's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposits.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

## **ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

### **NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

#### **NOTE 5 - CASH (AND CASH EQUIVALENTS) - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE, AND FOREIGN CURRENCY RISKS (Continued)**

##### **Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the District may not recover its deposits. In accordance with the District's investment and deposit policy, all deposits of the District including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

The District restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

#### **NOTE 6 - INVESTMENTS**

The District typically has few investments (primarily donated scholarship funds), and chooses to disclose its investments by specifically identifying each. The District's investment policy for these investments is also governed by New York State statutes. Investments are stated at fair value.

U.S. GAAP establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2020**

**NOTE 6 - INVESTMENTS (Continued)**

Level 2: Inputs to the valuation methodology include:

Quoted prices for similar assets or liabilities in active markets;

Quoted prices for identical or similar assets or liabilities in inactive markets;

Inputs other than quoted prices that are observable for the asset or liability;

Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

All of the District's investments are valued based on Level 1 of the hierarchy.

The following is a description of the valuation methodologies used for investments measured at fair value:

*Cash and cash equivalents:* Valued at cost plus accrued interest, which approximates fair market value.

*Common stocks and mutual funds:* Valued at the net assets value (NAV) of shares held at year end. The NAV is the closing price reported on the open market on which the securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the District believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### NOTE 6 - INVESTMENTS (Continued)

Investment Fund	Griffin Fund Trust	Scholarship Fund Trust	Scholarship Fund Trust
Carrying Amount			
Fair Value	\$ 3,367	\$ 54,183	\$ 11,660
Unrealized Investment Gain/Loss	Untracked	Untracked	Untracked
Type of Investment	Common Stocks	Cash and Mutual Funds	Common Stocks

The District does not typically purchase investments denominated in a foreign currency, and is not exposed to foreign currency risk.

At year-end, the District held \$ 69,210 in investments.

### NOTE 7 - CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2020 are as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Reclassifications</u>	<u>Ending Balance</u>
Governmental Activities				
Capital Assets that are not Depreciated				
Land	\$ 2,563,800	\$ -	\$ -	\$ 2,563,800
Construction in Progress	-	-	-	-
Total Non-Depreciable	<u>2,563,800</u>	<u>-</u>	<u>-</u>	<u>2,563,800</u>
Capital Assets that are Depreciated				
Site Improvements	746,932	-	-	746,932
Building and Improvements	118,481,781	84,401	-	118,566,182
Furniture and Equipment	<u>2,533,464</u>	<u>932,168</u>	<u>-</u>	<u>3,465,632</u>
Total Depreciable Assets	<u>121,762,177</u>	<u>1,016,569</u>	<u>-</u>	<u>122,778,746</u>
Less Accumulated Depreciation				
Site Improvements	592,765	74,695	-	667,460
Building and Improvements	41,295,634	2,554,880	-	43,850,514
Furniture and Equipment	<u>2,161,036</u>	<u>122,956</u>	<u>-</u>	<u>2,283,992</u>
Total Accumulated Depreciation	<u>44,049,435</u>	<u>2,752,531</u>	<u>-</u>	<u>46,801,966</u>
Total Depreciated Assets, Net	<u>77,712,742</u>	<u>(1,735,962)</u>	<u>-</u>	<u>75,976,780</u>
Total Assets, Net	<u>\$ 80,276,542</u>	<u>\$ (1,735,962)</u>	<u>\$ -</u>	<u>\$ 78,540,580</u>

Depreciation not charged to a specific function \$ 2,752,531

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 8 - LONG-TERM DEBT OBLIGATION

Long-term liability balances and activity for the year are summarized below.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Further, the unmatured principal of general long-term debt does not require current appropriation and expenditure of governmental fund financial resources.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Long-Term Liabilities					
Bonds Payable	\$ 43,980,000	\$ -	\$ (3,210,000)	\$ 40,770,000	\$ 3,550,000
Premium on Bonds	2,759,127	-	(422,930)	2,336,197	-
Total Bonds	46,739,127	-	(3,632,930)	43,106,197	3,550,000
Other Long-Term Liabilities					
Compensated Absences	87,033	-	17,756	104,789	Unknown
Other Postemployment Benefits Obligation	115,333,358	-	(40,651,341)	74,682,017	Unknown
Net Pension Liability – Proportionate Share	651,786	1,733,415	-	2,385,201	Unknown
Total Other Liabilities	116,072,177	1,733,415	(40,633,585)	77,172,007	-
Total Long-Term Liabilities	\$ 162,811,304	\$ 1,733,415	\$ (44,266,515)	\$ 120,278,204	\$ 3,550,000

The General Fund has typically been used to liquidate long-term liabilities such as compensated absences. Bonds payable is comprised of the following:

Description	Issue Date	Final Maturity	Interest Rate	Balance
Serial Bonds – 2006	01/15/06	01/15/22	4.0 - 4.375%	\$ 90,000
Serial Bonds – 2016	06/01/16	06/01/24	2.0 - 5.0%	1,825,000
Serial Bonds – 2017	06/20/17	06/15/30	2.0 - 3.0%	3,515,000
Serial Bonds – 2018	06/19/18	06/15/32	3.0 - 3.125%	19,345,000
Serial Bonds – 2019	06/17/19	06/15/32	3.0 – 5.0%	15,995,000
				<u>\$ 40,770,000</u>

The following is a summary of debt service requirements:

Fiscal year ending June 30,	Serial Bonds	
	Principal	Interest
2021	\$ 3,550,000	\$ 1,496,001
2022	3,665,000	1,363,175
2023	3,740,000	1,226,013
2024	3,580,000	1,089,313
2025	3,425,000	959,363
2026–2030	17,575,000	2,898,113
2031–2034	5,235,000	494,475
Total	<u>\$ 40,770,000</u>	<u>\$ 9,526,452</u>

Interest paid on long-term debt for the year was \$ 1,834,104. Bond premiums netted against interest on the government-wide statements was \$ 422,930.

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 9 - PENSION PLANS

The District participates in the New York State Teachers' Retirement System (TRS) and the New York State and Local Employees' Retirement System (ERS) (the Systems). These are cost-sharing multiple-employer public employee retirement systems. The Systems offer a wide range of plans and benefits, which are related to years of service and final average salary, vesting of retirement benefits, death, and disability. See footnote 1 for further plan details.

### NOTE 10 - UNRESTRICTED FUND BALANCE

Unrestricted fund balance in the general fund consist of the following at June 30, 2020:

Designated for Subsequent Year's Expenditures	\$ 4,456,425
Reserve for Encumbrances	637
Unassigned	<u>1,888,000</u>
Total General Fund Unrestricted Fund Balance	<u>\$ 6,345,062</u>

### NOTE 11 - INTERFUND TRANSACTIONS - GOVERNMENTAL FUNDS

Interfund receivables and payables, other than between governmental activities and fiduciary funds, are eliminated on the Statement of Net Position. The District typically loans resources between funds for the purpose of mitigating the effects of transient cash flow issues. All interfund payables are expected to be repaid within one year.

Interfund transactions and balances at June 30, 2020 are as follows:

	Interfund		Interfund	
	Receivable	Payable	Revenues	Expenditures
General	\$ 946,769	\$ 476,367	\$ 350,000	\$ 114,763
Special Aid	-	899,039	30,362	-
School Lunch	-	47,730	-	-
Debt Service	473,279	-	-	350,000
Capital Projects	<u>6,725</u>	<u>3,637</u>	<u>84,401</u>	<u>-</u>
Total Government Activities	1,426,773	1,426,773	464,763	464,763
Fiduciary	<u>310</u>	<u>310</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,427,083</u>	<u>\$ 1,427,083</u>	<u>\$ 464,763</u>	<u>\$ 464,763</u>

### NOTE 12 - POST-EMPLOYMENT BENEFITS OBLIGATION PAYABLE

#### General Information about the OPEB Plan

**Plan Description** – The District administers a defined benefit OPEB plan that provides OPEB for all permanent full-time general employees of the District. The Plan is a single-employer defined benefit OPEB plan (the Plan) administered by Article 11 of the State Compiled Statutes which grants the authority to establish and amend the benefit terms and financing requirements to the District's Board, subject to applicable collective bargaining and employment agreements, and Board of Education policy. The Plan does not issue a separate financial report since there are no assets legally segregated for the sole purpose of paying benefits under the Plan. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 12 - POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS (Continued)

**Benefits Provided** – The District provides healthcare and life insurance benefits for retirees and their dependents. The benefit terms are dependent on which contract each employee falls under. The specifics of each contract are on file at the District offices and are available upon request.

**Employees Covered by Benefit Terms** – At June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	219
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>254</u>
Total	<u>473</u>

#### Total OPEB Liability

The District's total OPEB liability of \$ 74,682,017 was measured as of July 1, 2019, and was determined by an actuarial valuation as of July 1, 2018.

**Actuarial Assumptions and Other Inputs** – The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.4%
Salary Increases	3.00% average, including inflation
Discount Rate	3.5%
Healthcare Cost Trend Rates	7.00% for 2021, decreasing to a Rate of 3.94% for 2090

The discount rate was based on the Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the RPH-2014 Mortality Table, as appropriate, with adjustments for mortality improvements based on Scale MP-2014, and projected forward with scale MP-2018.

Retirement participation rate assumed that 100% of eligible employees will elect to participate in the District's OPEB Plan and 70% of active member's spouses. Additionally, a tiered approach based on age and years of service was used to determine retirement rate assumption.

Termination rates are based on experience under the New York State and Local Retirement system. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.



# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 12 - POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS (Continued)

#### Changes in the Total OPEB Liability

Balance at July 01, 2018	\$ 115,333,358
Changes for the Year:	
Service cost	3,363,482
Interest	4,535,564
Changes of benefit terms	-
Differences between expected and actual experience	(45,673,963)
Changes in assumptions or other inputs	121,207
Benefit payments	(2,997,631)
Net Changes	(40,651,341)
Balance at July 1, 2019	\$ 74,682,017

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% on July 1, 2018 to 3.5% on July 1, 2019.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate –** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.50%) or 1 percentage point higher (4.50%) than the current discount rate:

	1% Decrease (2.50)%	Discount Rate (3.50%)	1% Increase (4.50)%
Total OPEB Liability	\$ 87,619,624	\$ 74,682,017	\$ 64,321,719

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates –** The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current healthcare cost trend rate:

	1% Decrease (6.0)%	Healthcare Cost Trend Rates (7.0%)	1% Increase (8.0)%
Total OPEB Liability	\$ 62,192,028	\$ 74,682,017	\$ 90,943,554

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2020

### NOTE 12 - POSTEMPLOYMENT (HEALTH INSURANCE) BENEFITS (Continued)

#### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The District recognized an OPEB credit of \$ 5,758,826 as of June 30, 2020. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows	Deferred Inflows
Difference Between Expected and Actual Experience	\$ -	\$ 48,365,199
Changes in Assumptions and Other Inputs	2,874,244	8,530,466
District's Contributions Subsequent to the Measurement Date	<u>2,190,465</u>	<u>-</u>
Total	<u>\$ 5,064,709</u>	<u>\$ 56,895,665</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Amount
2021	\$ (13,657,872)
2022	(13,657,872)
2023	(10,660,679)
2024	(9,492,887)
2025 and thereafter	<u>(6,552,111)</u>
	<u>\$ (54,021,421)</u>

### NOTE 13 - RISK MANAGEMENT

#### General

The District is exposed to various risks of loss related to torts, theft, damage, injuries, errors and omissions, natural disasters, and other risks. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past two years.

#### Consortiums and Self Insured Plans

Prior to July 1, 2019, the District participated in an employee health insurance plan (Plan) sponsored by St. Lawrence-Lewis BOCES and its component districts. Plan members include eighteen districts with the Enlarged Ogdensburg City School District bearing a 1.53% share of the Plan's assets and claims liabilities.

# ENLARGED OGDENSBURG CITY SCHOOL DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

### NOTE 13 - RISK MANAGEMENT (Continued)

On April 4, 2019, the district reached contract agreements with both unions (OSU and CSEA) including a change in health insurance providers (from St. Lawrence-Lewis Insurance Plan to an Excellus Blue Cross/Blue Shield Signature plan for actives and a Medicare supplement plan with the Hartford Plan/MVP Health Care for retirees). This change took place on June 30, 2019.

The District also participates in the St. Lawrence-Lewis BOCES program for workers' compensation. The District's share of the Plan's assets and claims liabilities was 2.04% for the year ended June 30, 2020, while premiums totaled \$ 103,821 and payments of claims amounted to \$ 19,154.

The BOCES Plans issue a publicly available financial report that includes financial statements and required supplementary information. Those reports may be obtained by writing: St. Lawrence-Lewis Counties School District Employee Medical Plan, Post Office Box 697, Canton, New York 13617.

### NOTE 14 - COMMITMENTS AND CONTINGENCIES

#### Contingencies Related to Grants Received

The District has received grants, which are subject to audit by agencies of the State and Federal governments. Such audits may result in disallowances and a request for a return of funds. Based on prior years' experience, the District's administration believes disallowances, if any, will be immaterial.

#### Contingencies Related to Sick Leave

The District does not accrue a liability for accumulating, non-vesting sick leave, since payment is based on an uncontrollable future event (sickness). In accordance with the provisions of GASB No. 16, the value for accumulating, non-vesting sick leave is considered a contingent liability. The District reports \$ 1,730,007 for accumulating, non-vesting sick leave.

#### Judgments

There were no judgments or notable claims against the District at June 30, 2020.

### NOTE 15 - LEASE OBLIGATIONS (OPERATING LEASES)

The District leases certain copiers and office equipment under the terms of various non-cancelable leases. Rental expense for the year was \$ 148,306.

Minimum annual rentals for each of the remaining years of the leases are as follows:

For the fiscal years ending June 30:

2021	148,306
2022	147,753
2023	109,834
2024	35,787
Thereafter	-

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2020**

**NOTE 16 - DONOR-RESTRICTED ENDOWMENTS**

The District administers endowment funds, which are restricted by the donor for the purposes of providing student scholarships.

Donor-restricted endowments are reported at fair value. The amount of net appreciation on investments of donor-restricted endowments that is available for expenditure has not been tracked by the District.

The District authorizes expenditures from donor-restricted endowments in compliance with the wishes expressed by the donor, which varies among the unique endowments administered by the District.

**NOTE 17 - SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions from July 1, 2020 through October 19, 2020, the date the financial statements were available to be issued. There were no events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date required to be recognized in the accompanying financial statements.

**NOTE 18 - RESTATEMENT OF NET POSITION**

During the year ended June 30, 2020, the District restated its net position due to a correction of bond premiums. The prior-period adjustment is necessary to correctly record bond premiums as an addition to the face amount of bonds payable on the Statement of Net Position. The prior year financial statements recorded the bond premiums as revenue on the Statement of Activities and Changes in Net Position.

Changes to net position as a result of the restatement are as follows:

Net position at beginning of year, as previously stated	\$ (84,027,559)
Correction to record bond premium as an addition to the face amount of bonds payable	<u>(2,759,127)</u>
Net position at beginning of year, as restated	<u>\$ (86,786,686)</u>

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Year-end Encumbrances</b>	<b>Final Budget Variance With Budgetary Actual</b>
<b>REVENUES</b>					
Local Sources					
Real Property Taxes	\$ 7,977,867	\$ 7,977,867	\$ 8,231,930		\$ 254,063
Other Tax Items	2,885,499	2,885,499	2,509,607		(375,892)
Charges for Services	965,866	965,866	748,539		(217,327)
Use of Money and Property	280,000	280,000	233,535		(46,465)
Miscellaneous	560,000	560,000	1,094,958		534,958
Sale of Property and Compensation for Loss	-	-	-		-
Total Local Sources	<u>12,669,232</u>	<u>12,669,232</u>	<u>12,818,569</u>		<u>149,337</u>
Federal Sources	50,000	50,000	2,437		(47,563)
State Sources	<u>30,029,710</u>	<u>30,029,710</u>	<u>29,404,112</u>		<u>(625,598)</u>
Total Revenues	<u>42,748,942</u>	<u>42,748,942</u>	<u>42,225,118</u>		<u>(523,824)</u>
<b>OTHER FINANCING SOURCES</b>					
Operating Transfers In	-	-	350,000		-
Total Other Financing Sources	-	-	350,000		-
Total Revenues and Other Financing Sources	<u>42,748,942</u>	<u>42,748,942</u>	<u>\$ 42,575,118</u>		<u>\$ (523,824)</u>
<b>APPROPRIATED FUND BALANCE</b>					
Prior Year's Encumbrances	19,933	19,933			
Appropriated Reserves	<u>2,251,058</u>	<u>2,564,945</u>			
Total Appropriated Fund Balance	<u>2,270,991</u>	<u>2,584,878</u>			
Total Revenues, Other Financing Sources, and Appropriated Fund Balance	<u>\$ 45,019,933</u>	<u>\$ 45,333,820</u>			

**Note to Required Supplementary Information**

**Budget Basis of Accounting**

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

See Paragraph on Supplementary Schedules Included in the Independent Auditor's Report.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET (NON-GAAP BASIS) AND ACTUAL - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2020 (continued)**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Year-End Encumbrances</u>	<u>Final Budget Variance with Budgetary Actual</u>
<b>EXPENDITURES</b>					
General Support					
Board of Education	\$ 15,050	\$ 15,050	\$ 6,503	\$ -	\$ 8,547
Central Administration	250,000	270,000	253,310	-	16,690
Finance	598,700	578,700	539,431	-	39,269
Staff	199,000	199,000	132,908	-	66,092
Central Services	2,937,100	2,955,115	2,435,472	-	519,643
Special Items	<u>1,204,000</u>	<u>1,204,000</u>	<u>1,187,104</u>	<u>-</u>	<u>16,896</u>
Total General Support	<u>5,203,850</u>	<u>5,221,865</u>	<u>4,554,728</u>	<u>-</u>	<u>667,137</u>
Instruction					
Instruction, Administration, and Improvement	1,297,800	1,347,800	1,160,954	-	186,846
Teaching - Regular School	8,789,500	8,684,945	7,912,544	637	771,764
Programs for Children with Handicapping Conditions	7,894,068	7,940,136	6,873,220	-	1,066,916
Occupational Education	1,295,000	1,308,541	1,303,500	-	5,041
Teaching - Special School	111,000	111,000	83,555	-	27,445
Instructional Media	1,127,065	1,130,930	844,005	-	286,925
Pupil Services	<u>1,567,400</u>	<u>1,567,400</u>	<u>1,378,088</u>	<u>-</u>	<u>189,312</u>
Total Instruction	<u>22,081,833</u>	<u>22,090,752</u>	<u>19,555,866</u>	<u>637</u>	<u>2,534,249</u>
Pupil Transportation	1,555,550	1,986,876	776,745	-	1,210,131
Community Service	77,000	77,000	48,133	-	28,867
Employee Benefits	10,766,700	10,622,327	8,973,722	-	1,648,605
Debt Service	<u>5,190,000</u>	<u>5,190,000</u>	<u>5,044,104</u>	<u>-</u>	<u>145,896</u>
Total Expenditures	<u>44,874,933</u>	<u>45,188,820</u>	<u>38,953,298</u>	<u>637</u>	<u>6,234,885</u>
<b>OTHER FINANCING USES</b>					
Operating Transfers Out	<u>145,000</u>	<u>145,000</u>	<u>114,763</u>	<u>-</u>	<u>30,237</u>
Total Expenditures and Other Financing Uses	<u>\$ 45,019,933</u>	<u>\$ 45,333,820</u>	<u>39,068,061</u>	<u>\$ 637</u>	<u>\$ 6,265,122</u>
Net Change in Fund Balance			3,507,057		
Fund Balance - Beginning of Year			<u>5,049,466</u>		
Fund Balance - Ending of Year			<u>\$ 8,556,523</u>		

**Note to Required Supplementary Information**

**Budget Basis of Accounting**

Budgets are adopted on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

See Paragraph on Supplementary Schedules Included in the Independent Auditor's Report.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**SCHEDULE OF CHANGES IN THE DISTRICT'S  
TOTAL OPEB LIABILITY AND RELATED RATIOS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Measurement Date	July 1, 2019	July 1, 2018	July 1, 2017
<b>Total OPEB Liability</b>			
Service Cost	\$ 3,363,482	\$ 3,448,742	\$ 4,515,764
Interest	4,535,564	5,067,878	4,451,008
Changes in benefit terms	-	(17,070,729)	-
Differences between expected and actual experience in the measurement of the total OPEB liability	(45,673,963)	(15,987,184)	-
Changes of assumptions or other inputs	121,207	4,218,476	(20,058,125)
Benefit Payments	<u>(2,997,631)</u>	<u>(3,338,974)</u>	<u>(3,146,909)</u>
Net change in total OPEB liability	(40,651,341)	(23,661,791)	(14,238,262)
Total OPEB liability - Beginning	<u>115,333,358</u>	<u>138,995,149</u>	<u>153,233,411</u>
Total OPEB liability - Ending	<u>\$ 74,682,017</u>	<u>\$ 115,333,358</u>	<u>\$ 138,995,149</u>
 Covered payroll	 <u>\$ 15,002,562</u>	 <u>\$ 15,002,562</u>	 <u>\$ 13,872,404</u>
Total OPEB liability as a percentage of covered payroll	<u>498%</u>	<u>769%</u>	<u>1002%</u>

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT CONTRIBUTIONS -  
NYSLRS PENSION PLANS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Teachers' Retirement System (TRS)</b>						
Contractually Required Contribution	\$ 1,099,177	\$ 1,359,950	\$ 1,212,178	\$ 1,514,604	\$ 1,624,860	\$ 2,104,267
Contributions in Relation to the Contractually Required Contribution	<u>1,099,177</u>	<u>1,359,950</u>	<u>1,212,178</u>	<u>1,514,604</u>	<u>1,624,860</u>	<u>2,104,267</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	12,406,059	12,805,555	12,369,163	12,923,242	12,253,846	11,487,292
Contribution as a Percentage of Covered-Employee Payroll	8.86%	10.62%	9.80%	11.72%	13.26%	18.32%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Employees' Retirement System (ERS)</b>						
Contractually Required Contribution	\$ 355,224	\$ 356,440	\$ 332,462	\$ 374,153	\$ 377,027	\$ 408,686
Contributions in Relation to the Contractually Required Contribution	<u>355,224</u>	<u>356,440</u>	<u>332,462</u>	<u>374,153</u>	<u>377,027</u>	<u>408,686</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	2,494,736	2,439,931	2,201,916	2,305,152	2,270,601	1,700,061
Contribution as a Percentage of Covered Employee Payroll	14.24%	14.61%	15.10%	16.23%	16.60%	24.04%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*



**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (ASSET) - NYSLRS PENSION PLANS  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Teachers' Retirement System (TRS)</b>						
Measurement Date	06/30/2019	06/30/2018	06/30/2017	06/30/2016	06/30/2015	06/30/2014
District's Proportion of the Net Pension Liability (Asset)	0.076718%	0.075936%	0.081565%	0.079411%	0.079939%	0.080780%
District's Proportionate Share of the Net Pension Liability (Asset)	(1,993,150)	(1,373,128)	(619,974)	850,520	(8,303,121)	(8,998,394)
District's Covered-Employee Payroll	12,406,059	12,805,555	12,369,163	12,923,242	12,253,846	11,487,292
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	(16.07%)	(10.72%)	(5.01%)	6.58%	(67.76%)	(78.33%)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.20%	101.53%	100.66%	99.01%	110.46%	114.48%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Employees' Retirement System (ERS)</b>						
Measurement Date	06/30/2019	06/30/2018	06/30/2017	06/30/2016	06/30/2015	06/30/2014
District's Proportion of the Net Pension Liability (Asset)	0.0090074%	0.0091991%	0.0082565%	0.0085583%	0.0090772%	0.0089765%
District's Proportionate Share of the Net Pension Liability (Asset)	2,385,201	651,786	266,474	804,159	1,456,922	303,248
District's Covered-Employee Payroll	2,494,736	2,528,741	2,201,916	2,305,152	2,270,601	1,700,061
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	95.61%	25.78%	12.10%	34.89%	64.16%	17.84%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.50%

*Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**SCHEDULES OF CHANGE FROM ADOPTED BUDGET TO FINAL BUDGET  
AND THE REAL PROPERTY TAX LIMIT - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

**CHANGE FROM ADOPTED BUDGET TO REVISED BUDGET**

<b>Adopted Budget</b>	\$ 45,000,000
Additions:	
Prior Year's Encumbrances	<u>19,933</u>
<b>Original Budget</b>	45,019,933
Budget Revision	<u>313,887</u>
<b>Final Budget</b>	<u><u>\$ 45,333,820</u></u>

**SECTION 1318 OF REAL PROPERTY TAX LAW LIMIT CALCULATION**

2020-2021 Voter-Approved Expenditure Budget	\$ 47,200,000
	<u>x .04</u>
Maximum Allowed (4% of 2020-21 Budget)	<u><u>\$ 1,888,000</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law:	
Unrestricted Fund Balance:	
Committed Fund Balance	\$ 637
Assigned Fund Balance	4,456,425
Unassigned Fund Balance	<u>1,888,000</u>
Total Unrestricted Fund Balance	<u><u>6,345,062</u></u>
Less:	
Appropriated Fund Balance	4,456,425
Encumbrances (Included in Committed and Assigned Fund Balance)	<u>637</u>
Total Adjustments	<u><u>4,457,062</u></u>
General Fund Fund Balance Subject to Section 1318 of Real Property Tax Law	<u><u>\$ 1,888,000</u></u>
Actual Percentage	4.00%

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**SCHEDULE OF CAPITAL PROJECTS FUND -**

**PROJECT EXPENDITURES AND FINANCING RESOURCES**

**FOR THE YEAR ENDED JUNE 30, 2020**

Project Title	Original Appropriation	Revised Appropriation	Expenditures			Unexpended Balance	Methods of Financing			
			Prior Years	Current Year	Total		Proceeds of Obligations	State Sources	Local Sources	Total
Smart Schools Bond Act	\$ 771,216	\$ 740,117	\$ -	\$ 740,117	\$ 740,117	\$ -	\$ -	\$ 736,780	\$ 3,337	\$ 740,117
Boiler System	<u>100,000</u>	<u>159,856</u>	<u>75,455</u>	<u>84,401</u>	<u>159,856</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,856</u>	<u>159,856</u>
Totals	<u>\$ 871,216</u>	<u>\$ 899,973</u>	<u>\$ 75,455</u>	<u>\$ 824,518</u>	<u>\$ 899,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 736,780</u>	<u>\$ 163,193</u>	<u>\$ 899,973</u>

See Paragraph on Supplementary Schedules Included in the Independent Auditor's Report.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NET INVESTMENT IN CAPITAL ASSETS  
FOR THE YEAR ENDED JUNE 30, 2020**

Capital Assets, Net		\$ 78,540,580
Deduct		
Short-Term Portion of Serial Bonds Payable	3,550,000	
Long-Term Portion of Serial Bonds Payable	<u>39,556,197</u>	
Total Deductions		<u>(43,106,197)</u>
Investment in Capital Assets, Net of Related Debt		<u>\$ 35,434,383</u>

See Paragraph on Supplementary Schedules Included in the Independent Auditor's Report.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Education  
Enlarged Ogdensburg City School District  
Ogdensburg, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Enlarged Ogdensburg City School District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Enlarged Ogdensburg City District's basic financial statements, and have issued our report thereon dated October 19, 2020.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Enlarged Ogdensburg City School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Enlarged Ogdensburg City School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Enlarged Ogdensburg City School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

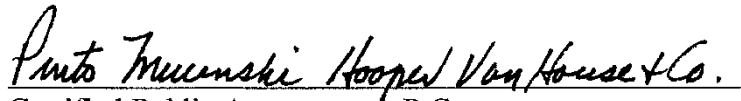
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Enlarged Ogdensburg City School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
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Certified Public Accountants, P.C.

October 19, 2020



Pinto·Mucenski·Hooper  
Van House & Co.  
Certified Public Accountants, P.C.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Education  
Enlarged Ogdensburg City School District  
Ogdensburg, New York

**Report on Compliance for Each Major Federal Program**

We have audited the Enlarged Ogdensburg City School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Enlarged Ogdensburg City School District's major federal programs for the year ended June 30, 2020. The Enlarged Ogdensburg City School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Enlarged Ogdensburg City School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Enlarged Ogdensburg City School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Enlarged Ogdensburg City School District's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the Enlarged Ogdensburg City School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

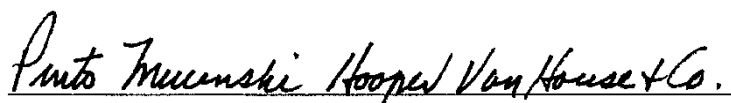
### **Report on Internal Control Over Compliance**

Management of the Enlarged Ogdensburg City School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Enlarged Ogdensburg City School District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Enlarged Ogdensburg City School District's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Certified Public Accountants, P.C.

October 19, 2020



**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2020**

<b>Federal Grantor/Pass-Through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Agency or Pass-through Number</b>	<b>Expenditures</b>
<b>U.S. Department of Agriculture</b>			
<b>Passed-Through NYS Education Department</b>			
Child Nutrition Cluster			
School Breakfast Program	10.553	-	\$ 180,211
National School Lunch Program	10.555	-	420,606
Snack Program	10.559	-	6,408
Total Child Nutrition Cluster			<u>607,225</u>
Other Programs			
Commodity Supplemental Food Program	10.565	-	<u>51,925</u>
Non-Cash Assistance Subtotal			<u>51,925</u>
Total Passed-Through NYS Education Department			<u>659,150</u>
<i>Total U.S. Department of Agriculture</i>			<u>659,150</u>
<b>U.S. Department of Education</b>			
<b>Passed-Through NYS Education Department</b>			
Special Education Cluster			
Special Education - Grants to States	84.027A	0032-20-0798	480,513
Special Education Preschool Grants	84.173A	0033-20-0798	<u>14,550</u>
Total Special Education Cluster			<u>495,063</u>
Title I Part A - Grants to LEAs	84.010A	0021-20-2645	619,685
Title II Part A - Improving Teacher Quality State Grants	84.367A	0147-20-2645	91,099
Title IV Part A - Every Student Succeeds Act	84.424A	0204-20-2645	43,352
Title V Part B - Grants to Rural and Low Income Schools	84.358B	0006-20-2645	<u>30,820</u>
Total Passed-Through NYS Education Department			<u>784,956</u>
<i>Total, U.S. Department of Education</i>			<u>1,280,019</u>
Total Federal Awards Expended			<u>\$ 1,939,169</u>

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
JUNE 30, 2020**

**NOTE 1 - SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES**

The accompanying schedule of expenditures of federal awards presents the activity of federal award programs administered by the District, which is described in Note 1 to the District's accompanying financial statements, using the modified accrual basis of accounting. Federal awards that are included in the schedule may be received directly from federal agencies, as well as federal awards that are passed through from other government agencies. The information is presented in accordance with requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Indirect costs may be included in the reported expenditures, to the extent that they are included in the federal financial reports used as the source for the data presented. The District's policy is not to charge federal award programs with indirect costs.

Matching costs (the District's share of certain program costs) are not included in the reported expenditures.

The District has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program.

The amounts reported as federal expenditures were obtained from the federal financial reports for the applicable program and periods. The amounts reported in these reports are prepared from records maintained for each program, which are reconciled with the District's financial reporting system.

**NOTE 2- SUB-RECIPIENTS**

No amounts were provided to sub-recipients.

**NOTE 3 - OTHER DISCLOSURES**

No insurance is carried specifically to cover equipment purchased with federal funds. Any equipment purchased with federal funds has only a nominal value, and is covered by the District's casualty insurance policies.

There were no loans or loan guarantees outstanding at year-end.

**ENLARGED OGDENSBURG CITY SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED JUNE 30, 2020**

**SUMMARY OF AUDITOR'S RESULTS**

1. The auditor's report expresses an unmodified opinion on the basic financial statements of the Enlarged Ogdensburg City School District.
2. No significant deficiencies were discovered during the audit of the basic financial statements as reported in the Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Enlarged Ogdensburg City School District, which would be required to be reported in accordance with *Government Auditing Standards*, were discovered during the audit.
4. There were no significant deficiencies or material weaknesses identified related to internal control over major federal programs compliance requirements.
5. The auditor's report on compliance for the major federal award programs for the Enlarged Ogdensburg City School District expresses an unmodified opinion on all major federal programs.
6. There were no audit findings required to be reported in accordance with 2 CFR section 200.516(a) related to the major federal award programs for the Enlarged Ogdensburg City School District.
7. The programs tested as a major program was the Child Nutrition Cluster: School Breakfast Program (10.553), National School Lunch Program (10.555) and Snack Program (10.559).
8. The threshold for distinguishing between Type A and B programs was \$ 750,000.
9. The Enlarged Ogdensburg City School District was determined to be a low-risk auditee.

**FINDINGS - FINANCIAL STATEMENT AUDIT**

There were no findings to report.

**FINDINGS AND QUESTIONED COSTS - MAJOR FEDERAL AWARD PROGRAMS  
AUDIT**

There were no findings to report.

## **SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**

### **FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no prior year audit findings.

### **FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no prior year audit findings.